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WASHINGTON MONUMENT FROM GARDENS OF THE BUILDING OF THE
PAN AMERICAN UNION

Business Men Want Universal Military Training Export Trade Under War Conditions

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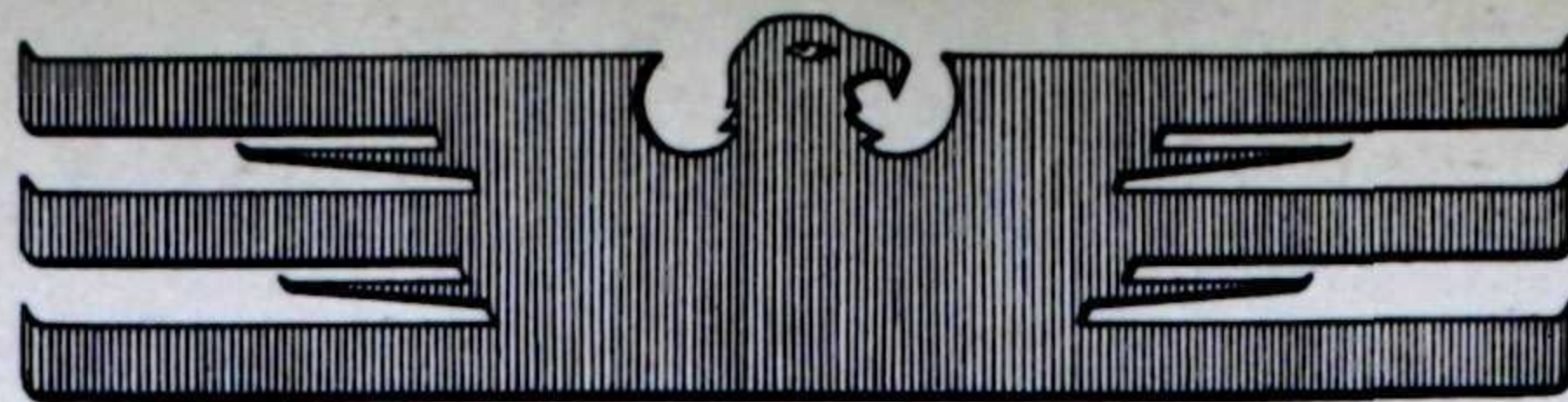


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THE NATION'S BUSINESS



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THE NATION'S BUSINESS is the Official monthly publication of the Chamber of Commerce of the United States of America and, as such, carries authoritative notices and articles in regard to the activities of the Chamber, its Board of Directors and Committees. In all other respects it is a magazine for business men and the Chamber is not responsible for the contents of the articles or for the opinions to which expression is given.

JULY, 1916

Commerce in the Month's News

WITH the August number of THE NATION'S BUSINESS, the editorial division will be in charge of Mr. Merle Thorpe. Mr. Thorpe comes from the University of Kansas, where he has been head of the department of journalism for five years. He has had a wide experience in journalism, having been engaged in newspaper and magazine work in Washington, D. C., Kansas, Washington and California. He has also made a study of merchandising problems and is familiar with the work of commercial organizations.

The Basis of Successful Democracy

FEW people stop to ask whether a democracy can be efficient because they are carried away by their personal conviction that it actually is not. One of the axioms of argument is getting to be "Of course, you have got to remember that we are a democracy." It is quite forgotten that the United States was founded to establish the rights of citizens, not of Government.

A democracy is apt to be about as inefficient as the people who live under it will tolerate. It is freely admitted that people in a democracy get about as good a government as they demand, for that form of govern-

ment up to a certain point leaves the administration of affairs very largely to the people who take interest and trouble; beyond that point there is a good deal of interference of many kinds and giving varied results.

It is, nevertheless, being proved every day that in a democracy like the United States the very highest talent and ability is successfully displayed in many varied fields. Our railroads, our industries, our business, our inventive genius, attain rare levels of effectiveness. The government of a people with such imaginative and administrative talents might well be a model for the world. Cooperation and an educated sense of equal obligation and responsibility on the part of every citizen are, however, requisite.

The Chamber of Commerce of the United States is now committed, by its members, to advocate a system of universal military training which shall be enforced by law to provide adequate man power for defense both in peace and in war. Here the basis is just that sense of equal obligation and responsibility which is believed by many to be essential to the full success of democracy. Perhaps this recognition of the military obligation as equal to the civil obligation may do

much to awaken in the people that sense of coordinated responsibility which will ensure the realization of their ideals of government.

A Conference that Failed

THE conference between representatives of the managers and employees of all the railroads in the country lasted two weeks and adjourned June 15. The acute situation already referred to in these columns has not yet passed. On the contrary, the brotherhoods have insisted that they cannot modify their demands for an eight instead of a ten hour day, with time and a half instead of regular time for all over-time, while the conference committee of managers are equally insistent that the workmen should consider their counter proposals. Arbitration has been definitely refused. After eleven days of actual discussion, the leader of the brotherhoods finally explained that the only recourse left to him and his colleagues was to go out to the 312,000 members of the four brotherhoods for a strike vote.

By a convincing majority the organization members of the Chamber of Commerce of the United States have endorsed the recommendations contained in Referendum No. 16 for an official ascertainment of facts by the Interstate Commerce Commission under authority of a joint resolution of Congress. On the basis of the referendum a measure has been introduced in the Senate by Senator Newlands to give this authority to the Commission.

When the strike ballot has been taken, which should be in the course of the next two weeks, the railroad managers and brotherhood representatives will come together again. It will remain to be seen whether this second meeting can avert a nation-wide paralysis of freight transportation.

A Coming Industry

WHEN the European war broke out a vital element was wanting in the cycle of our national industries—color chemistry. After two years, we are already manufacturing five times the supply of dye-stuffs for domestic consumption that came from American chemical works in 1914. Already we are said to be supplying more than half the domestic demand. At the present rate of progress, in two more years we should be industrially independent in another great branch of industry, one which through its ramifications is freely claimed to touch most of the people in the country, either directly or indirectly.

In any sound scheme for preparedness, indepen-

dence in peace has a direct bearing on independence in time of war. The production of artificial dyes not only affects our money, our postage stamps, newspapers, textiles and many other lines of manufacture, but products which are a part of the industry form the basis of the high-explosive ammunition requisite for the army and navy. A native dyestuff industry is springing up rapidly and in large proportions. It remains to be seen what measures Congress will take to protect it until such time as it can stand on its own feet.

The National Chamber a Permanent Force

THE idea that business men should organize is not a new one. For the first time, however, the Chamber of Commerce of the United States is proving that it can be done successfully on a permanent basis. It is only four years since this new force in national affairs was born. But in that short period its growth has been as constant as it has been surprising.

A power to focus business opinion, to make Government activities more available and useful, to encourage and promote the organization of associations of business men, to exploit new opportunities for trade expansion, these are admirable purposes and their realization is of tangible value. But there is something beyond that. A permanent force must exercise a continuing effort along a definite line or lines. For example, having focused business opinion on any subject it must continue to bend the rays of light on the fixed object. Such a steady illumination will bring out facts in true perspective. It will show where business men are wrong and where a question has been advocated upon a wrong understanding; it will serve equally for the public to determine when they are right.

This latter power, even in a short life of four years, is being exercised successfully by the Chamber of Commerce of the United States. The latest illustration comes in the platforms of the two dominating political parties. Both embody principles which the business men of the country through referenda taken by the National Chamber had already gone on record to endorse. These subjects have not only been approved by temporary ballots, but the result of the ballots has been constantly pressed. A referendum which went no further than a record of votes, however striking or timely it might be, could have no permanent force. The contrary is true of the referenda taken by the National Chamber. The votes it records are simply the basis of a permanent campaign, the limits of which are only fixed by a realization of the object in view or by evidence that it should be abandoned.

The Directors Meet at Minneapolis

Officials of the Chamber of Commerce of the United States Welcomed in the Northwest

THE twenty-seventh meeting of the Board of Directors of the Chamber of Commerce of the United States was held at Minneapolis on Thursday and Friday, June 22 and 23. A delightful feature was the hospitality of the Minneapolis Civic and Commerce Association and the St. Paul Association of Commerce. Without curtailing the business sessions of the Board, the Directors were able to attend a most interesting luncheon on Thursday given by the Civic and Commerce Association, followed by a dinner the same evening at the Minneapolis Club. On Friday a luncheon, given by the St. Paul Association of Commerce, was followed by an extremely pleasant excursion to Wayzata, Lake Minnetonka and a boat trip through the beautiful lakes. In addition to President Rhett and Mr. A. B. Farquhar, of York, Pa., honorary vice-president, the meeting was attended by sixteen directors and by the General Secretary, Elliott H. Goodwin and Assistant Secretary Skinner:

The Business Transacted

The business accomplished included authorization for President Rhett to appoint a committee on State chambers of commerce, consideration of a report from the Special Committee on the Department of Commerce prepared by N. Sumner Myrick and dealing with the steamboat inspection service, the appointment of additional members to the existing committees on Statistics and Standards, the Railroad Situation, Immigration, and the Advisory Committee to the Organization Service Bureau.

Make Action Effective

One of the most important features of the work of the National Chamber is to make the referenda effective. For this



Photo by C. J. Hibbard & Co., Minneapolis
THE FALLS OF MINNEHAHA
The "Laughing Water," made famous by Longfellow's poem, now the principal feature in one of the famous public parks of Minneapolis

purpose the Board approved the appointment of the following committees: National Defense—Bascom Little, Cleveland, chairman; R. T. Cunningham, Fairmont, W. Va.; Louis T. Golding, St. Joseph, Mo. Vocational Education—Frederick A. Geier, Cincinnati, chairman; Howell Cheney, South Manchester, Conn.; A. Lincoln Filene, Boston, Mass. Industrial Efficiency—Homer L. Ferguson, Newport News, Va., chairman; Charles Piez, Chicago; Richard A. Feiss, Cleveland. Combination in Foreign Trade—R. G. Rhett, Charleston, S. C. chairman; Guy E. Tripp, New York City; Henry E. Seager, New York City. Merchant Marine—William H.

Douglas, New York City, chairman; Bernard J. Rothwell, Boston, Mass.; C. B. Jenkins, Charleston, S. C.

Commercial Arbitration

After announcement of the appointment of Merle Thorpe, head of the University of Kansas Department of Journalism, as editor of THE NATION'S BUSINESS, and a decision that national, interstate and State associations of traveling men would hereafter be eligible for organization membership, the directors concluded their sessions by ratifying the plan which has been prepared with a view to settling by arbitration all commercial disputes between citizens of the United States and those of Argentina. The agreement will mean that practically all commercial disputes and disagreements arising between the two countries can be arbitrated without the governments being concerned. Notice of this action was cabled by the directors to the Chamber of Commerce of Buenos Aires as follows: "Arbitration Agreement formally ratified. Congratulations." In accordance with the terms of the Agreement, arbitration committees and a list of arbitrators in both countries were appointed or ratified.

Arbitration with Uruguay

It was finally voted that, in compliance with the desire expressed by the Uruguayan delegates at the recent meeting of the International High Commission at Buenos Aires, the Chamber of Commerce of the United States should submit to the Chamber of Commerce of Montevideo a draft agreement, with accompanying rules, for the arbitration of commercial disputes between merchants and business men of Uruguay and the United States.



© Paul W. Cloud, Minneapolis

THE SKY LINE OF MINNEAPOLIS—SIXTY-SEVEN YEARS AGO THIS SITE WAS AN INDIAN RESERVATION

The Railroad Situation Needs Facts

Referendum Number 16 Calls for Ascertainment of Facts by the Interstate Commerce Commission

THE vote on Referendum 16, dealing with the railroad situation, closed June 9. The ballot consisted of a single question, that "Congress should be asked to direct the Interstate Commerce Commission to make immediate investigation and to present a report as soon as practicable, as proposed by the Committee." Out of a possible 1,488 votes, 1,017 were recorded; 987 $\frac{3}{4}$ in favor and only 29 $\frac{1}{4}$ opposed. Forty-three States were represented. This vote is even larger than that cast in the referendum on National Defense.

THE NATION'S BUSINESS has already described the situation which is presented by the controversy between the four brotherhoods and the railroads. The membership of the brotherhoods is said to include about 312,000 locomotive engineers, locomotive firemen and enginemen, railway conductors, and railroad trainmen. The total number of men of all classes employed by the railroads of the country is estimated to be about 1,750,000.

The present situation is of unique importance because for the first time the brotherhoods in all sections of the country have united and for the first time all the operating railroads in the country have come together. If an agreement is not reached, it is possible that there will be a strike on the part of all four brotherhoods in all parts of the country. This would cause a complete paralysis of freight traffic in the United States. It requires little effort of the imagination to appreciate what this would mean. The country is reviving from a period of bad times, our exports are expanding more rapidly than ever before. To complicate the transportation question, large bodies of troops are now

being moved from all parts of the country to the Texas border. Not only will these troops have to be moved to various points on the frontier, but they will have to be kept supplied and equipped.

In announcing their demands, the brotherhoods invited representatives of the railroads to meet and confer on the

change of views was concluded June 15. The railroads were represented by the so-called National Conference Committee of Managers, and the men were represented by the four heads of the brotherhoods. The result was a decision on the part of the four brotherhood leaders to go out to their organizations and ask the men to put into their hands the power to make a country-wide strike their ultimatum. The result of this vote should be known by the first of August, and a second conference will then be held.

In the meanwhile, as soon as the ballot on the Referendum was recorded, measures were undertaken to carry it into effect. The result was the introduction into the Senate of a resolution by Senator Newlands, of Nevada, which carried with it the recommendation endorsed by the referendum vote. Senator Newlands also read into the *Record* of the Senate, from the referendum pamphlet, the report of the Special Committee which formed the subject of the ballot and the outline of arguments in favor and against the Committee's report. Some of the debate on the introduction of the resolution is given elsewhere in this issue. What has been emphasized by the action of the Chamber of Commerce of the United States is that in dealing with a problem as vital as that presented in the existing situation, there is a dearth of facts. The Chamber has steadily avoided taking a side and has devoted its whole effort

to ascertaining facts, on the ground that without facts, established fully and without cavil, no sound decision can be reached.

The special committee which drafted the referendum report will meet in Chicago, July 19, to discuss further action.

THE BALLOT

Congress should be asked to direct the Interstate Commerce Commission to make immediate investigation and to present a report as soon as practicable, as proposed by the Committee.

In favor, 987 $\frac{3}{4}$; opposed, 29 $\frac{1}{4}$.

WHAT THE COMMITTEE RECOMMENDED

Your Committee, therefore, recommends that the Board of Directors of the Chamber of Commerce of the United States take steps to secure immediately, by referendum, a vote from its constituent members approving the introduction into the Senate and the House of Representatives of a joint resolution, substantially as follows:

WHEREAS, The controversy that has arisen between the railroads and certain of their employees relating to a shortening of the hours of labor without corresponding decrease in pay, and for increased compensation for any service performed in excess of the daily period prescribed, may lead to a serious interruption of the railroad service with disastrous effect upon the public welfare and upon the commerce of the Nation. Now, therefore, be it

RESOLVED, By the Senate and House of Representatives of the United States of America in Congress Assembled, That the Interstate Commerce Commission be, and it is hereby directed, immediately to investigate and to report to the Congress as soon as practicable the minimum, maximum and average wage paid, with hours of service, to each class of railroad employees in the United States, and, so far as they are comparable, the minimum, maximum and average wage, with hours of service, paid in other industries where similar skill and risk are involved, the relation of wages to railroad revenues, the question of whether railroad revenues based on existing rates for transportation will admit of equally favorable terms to all classes of railroad employees, and any other matter in this connection that the Commission may deem relevant; and be it further

RESOLVED, That it is the sense of the Congress that the railway companies, their officers and employees, should give their hearty support and cooperation to the Interstate Commerce Commission in its investigation, deferring pending controversies over questions at issue until that commission may be able to complete its investigations and make its report to the Congress.

subject. This invitation was accepted by the railroads with the proviso that a conference should include consideration of certain principles which the railroads wished to bring to the attention of the men. The meeting took place June 1, in New York, and the discussion and ex-



Courtesy of the Pan American Union

SHIPPING IN THE HARBOR OF MONTEVIDEO, URUGUAY

Foundation of Confidence with South America

By ANDREW J. PETERS, *Assistant Secretary of the Treasury, Member of the International High Commission*

THE United States section of the International High Commission consisted, in addition to the Secretary of the Treasury and Mr. Warburg, a member of the Federal Reserve Board; of Mr. Kains, Governor of the Federal Reserve Bank of California; Senator Fletcher, of Florida; Mr. John H. Fahey, former president of the Chamber of Commerce of the United States; Mr. Samuel Untermyer, and the writer. Mrs. McAdoo, Mrs. Untermyer and Mrs. Peters accompanied the party, as well as Dr. McGuire and Mr. Parker, Assistant Secretaries General of the Commission, and other assistants.

We sailed from Norfolk in the armored cruiser Tennessee March 8. The trip down and across the equator was not unpleasant, as we had a refreshing breeze blowing all the time and sixteen days from Norfolk we anchored in the world famous harbor of Rio de Janeiro. We

were received by the President of the Republic, had lunch with the Secretary of State, and were greeted by everyone with the utmost cordiality.

Brazil itself is facing a hard economic situation. A country of large exports, the curtailment of shipping by the European war has rendered it impossible for the country to dispose of its products, and the financial situation there is one which is bound to cause no small embarrassment. It is hard to realize that the area of Brazil is greater than that of continental United States. Much of the country, however, is not yet suited for development. The farming regions, however, are considerable. San Paulo, situated on the coast of Rio, is rapidly becoming an industrial center. Some cotton mills were already started in Rio de Janeiro. At the commencement of the great war continental credits were stopped and South America received a

severe blow to its business. That a recovery is taking place, however, there can be no doubt.

From Rio de Janeiro we departed for Uruguay, where we arrived after four days. A tug loaded with students welcomed us to Montevideo, off which place we anchored early in the morning of March 30, and we were soon brought ashore in the company of the American minister and a delegation.

The resources of Uruguay are largely agricultural, and the development of the refrigerating plants has made a tremendous difference in the development of the country as well as in that of its larger neighbor, Argentina. In addition to the cold storage companies run by English and by local people, companies run by Americans are already operating plants where animals are slaughtered. The meat is taken in cold storage to the markets of Europe—and not alone to Europe, for already there are substantial imports to cities of the United States in the North Atlantic, and no doubt these importations will substantially increase.

From Montevideo there is maintained a fine steamship service to Buenos Aires. Two lines compete for this traffic. The boat which we went up in was a new English vessel and the accommodations were excellent. At the wharf we were given good wishes from a host of people who made us appreciate our hearty welcome to Uruguay. The sail up the river to Buenos Aires is a smooth one, and occupies about nine hours. The river itself, with the sunshine on it, seemed well to justify the name "La Plata."

Buenos Aires is an attractive city of 1,600,000 people, and increasing at a rate which its inhabitants claim will place it second to New York in our hemisphere



Courtesy of the Pan American Union

THE LOCK OF THE INCA ON THE ARGENTINE SIDE OF THE TRANSANDINE RAILWAY



Courtesy of the Pan American Union

CONGRESS SQUARE AND THE PALACIO DEL CONGRESSO



Courtesy of the Pan American Union

THE COURTS OF JUSTICE AT SANTIAGO DE CHILE

in 1930. I have not received as yet the comments of Chicago on this statement.

The city itself is level and the streets are for the most part narrow. While there are several large avenues and handsome squares, the streets in the retail part of the city as a rule have room for scarcely more than a single car track, and so great is the traffic that for part of the time vehicles are kept entirely off these streets.

Evidence of prosperity and accumulated wealth are apparent on all sides. There is a beautiful park system and along it a spacious drive. The private houses in Buenos Aires are magnificent, and can be more fittingly compared with the large houses in London than with the houses in any city of our country.

Buenos Aires is the commercial center of Argentina and much of the southern part of South America. To handle its commerce it has developed a most complete dock system, where it handles a trade second in this hemisphere only to that of New York, and among the ten principal ports in the commerce of the world.

Soon after reaching Buenos Aires the conference commenced, presided over by the Minister of Finance, the objects and deliberations of which have been written up so clearly and completely for you by one of my colleagues, Mr. Fahey, that nothing could be added. Of the many difficulties growing out of the war to the people of Argentina, one of the most marked is the lack of coal. Coal had risen at Buenos Aires to between \$30 and \$40 a ton. The English supply had been shut off completely by the war, and all coal now is coming from America. It was a familiar sight to see American four, five, and six masted schooners in the harbors of Rio, Montevideo and Buenos Aires, all loaded with coal, ves-

sels for the most part diverted from the New England coast trade.

The railroad system of Argentina is excellent. The railroad companies themselves are principally owned in England

through a flat country, very fertile and laid out in farms fenced off with wire fencing into rectangular fields. The land was perfectly level, oftentimes as far as the eye could reach on both sides of



Courtesy of the Pan American Union

GOVERNMENT PIER AND OFFICES AT VALPARAISO, WITH SHIPPING IN THE HARBOR WHICH IS ENTIRELY OPEN TO THE NORTHWEST

and maintain a high standard of service. Their gauge is 5 feet 6 inches—instead of 4 feet 8½ inches as in this country—and in the design of the cars and locomotives the English models have been largely copied. The conditions are perfect for a heavy train-load, and it would be interesting to see the results of the use of American-designed rolling stock of heavy construction, such as is used on railroads in this country. With the advantages of a 5 ft. 6 inch gauge, American operation ought to produce a tremendous trainload.

We departed from Buenos Aires with genuine regret, leaving at the station a large number of friends who came to see us off—a happy custom which is universal in South America.

From Buenos Aires we passed west

the track. Only occasional small farm-houses, surrounded by a few trees, could be seen. It was noticeable that all the land on the farms was available for use. There were no forests, no valleys or hills, and no stones. While there were no streams, the water was near the surface and was obtained for the cattle by windmills, which were needed to draw the water from only a few feet below the surface. The water is so near the surface that the growth of alfalfa, etc., in the fields easily reaches moisture with its roots. Part of these fields were growing grain and crops, but many of them had cattle in them, very fat, and feeding in a pasture so rich as to be fatal to the digestion of any creature from my native New England.

Towards the western end the fertile plains gave way to a dryer and more arid region. Mendoza—21 hours by rail from Buenos Aires—is the capital of a province, well up among the foothills of the Andes, and a commercial center of the western part of the Argentine Republic. It is the center of the grape industry. A small stream flowing into the town is diverted into numerous channels, and serves to irrigate countless vines.

Immediately after leaving Mendoza the railway commences its up grade. The scenery is superb, the mountains rising on every side, and the little railroad threads its way dexterously up the valley and across the streams. On the Argentine side the railway has a 6 per cent grade, and on the Chilean side an 8 per cent grade. The locomotive goes up

one sees Aconcagua, the highest peak, which rises to a height of 20,000 feet. There are no farms in the valleys, which are mostly barren gravel and sand.

The train goes down the steeper incline and soon reaches valleys which have trees in them and are cultivated. The Chilean side is much more fertile here. After winding down the valley of the Rio Aconcagua, we transferred to the broad gauge, a gauge similar to that of Argentina, 5 feet 6 inches, and were greeted cordially by prominent Chileans who arrived in two Pullman cars pulled by an American locomotive.

The fertile plain of Chile lies between the Andes and the Cordelares, and the city of Santiago is built around a rocky knoll in the middle of this plain, a location selected originally for its defense.

Chile is rich in mineral resources, and its fertile valley produces many agricultural products. Besides all these, of course, and for which Chile is most famous, are the nitrate beds in the North. Great as these are as a source of wealth, however, there seem to be untouched deposits of copper and other minerals in the mountains, all of which are awaiting an opportunity for systematic development.

In the South, Chile has a commodity rare in South America, which is coal. It is mined, however, in very small quantities and, as yet, under primitive conditions—most of the coal being handled by hand. Chile, as well as Argentina, is suffering from lack of coal, and it has reached a price there which should make this mining very possible.

At Santiago we were greeted with delightful hospitality. We dined with the President and were given every opportunity to see the interesting characteristics of the city.

The trip from Santiago to Valparaiso takes only three hours by rail, across the fertile plains of Chile. While Valparaiso has the largest harbor on the west coast, it is more like a roadstead than a harbor, as it has a huge bay entirely open to the Northwest. I was informed that fortunately storms seldom came from that direction.

Santiago with all the west coast of South America is just beginning to feel the effects of the opening of the Panama Canal. The coast of Chile is on almost the same longitude as New York. Valparaiso and all the west coast of South America is brought by the Panama Canal much nearer to the United States and Atlantic coast cities than to Europe, and should show a tremendous increase in commerce with the United States.

(Continued on page 21.)



Courtesy of the Pan American Union

A VIEW OF RIO DE JANEIRO AND ITS WORLD FAMOUS HARBOR

these steep grades for brief distances with a cog-wheel attachment.

At its highest point the railroad rises to 10,000 feet, and in passing up the valley, shortly before reaching the tunnel,

Santiago has more of the Spanish atmosphere than the other South American cities, and has a marked individuality of its own. It, too, is the center of a very considerable commercial region.



Courtesy of Panama Canal Commission

THE NEW DOCKS UNDER CONSTRUCTION AT BALBOA AND THE PACIFIC ENTRANCE OF THE CANAL



Courtesy of the Pan American Union

HAVANA AND ITS LAND-LOCKED HARBOR FROM THE FAMOUS CABANAS FORTRESS

In Congress Assembled



Government Finance—Tariff Commission—Dyestuffs—Combinations for Export Trade—Shipping Bill—Railroads

THE United States closed its fiscal year on June 30 with a clear balance in its treasury amounting to \$126,000,000. This is the sum that remained after the money placed to the credit of disbursing officers and the amount deposited by national banks to retire their circulating notes have been deducted from the balance as stated in the official report—\$236,000,000.

New Revenues

Upon the following day, July 1, the new revenue measure prepared by the House Committee on Ways and Means was introduced. With little or no change it will be passed by the House and sent to the Senate before this issue of THE NATION'S BUSINESS can come from the press.

The present official estimate of appropriations for this year is \$1,579,000,000, or about \$200,000,000 more than in 1865, the earlier year of greatest disbursements. The appropriations in 1916-1917 will be divided approximately as \$300,000,000 for the Navy, \$300,000,000 for the Army, and \$900,000,000 for civil expenses, including pensions and the postal service.

The principal items of revenue which, in connection with the money now in the Treasury, will be used to meet the appropriations, are:

New Taxes

On Incomes	\$107,000,000
On Estates	17,000,000
On Munitions Manufactures...	71,000,000
Rearranged Special Taxes....	43,000,000
Customs Duties	230,000,000
Ordinary Internal Revenue....	303,000,000
Incomes	120,000,000
Postal Receipts	324,000,000
Miscellaneous	54,000,000

Bond Issue

The financial plan now under consideration proposed that the cost of mobilization of the National Guard and of military operations upon the Mexican border

should be paid with the proceeds of bonds. The issue for this purpose is estimated at \$125,000,000. Presumably, the bonds used will be a part of those already authorized, but not used, for the Panama Canal. The new issue will make the interest-bearing debt about \$1,100,000,000. As the law stands, Panama Canal bonds may be issued with interest at a rate not exceeding 3 per cent, and are to be offered in such a way as to give to all citizens an equal opportunity to subscribe.

New Taxes

As the House passed the bill for new revenues, about 50 per cent of the new taxes will be realized this year from incomes, 10 per cent from estates of persons who die after the bill becomes law, and about one-third from concerns making ammunition and firearms and smelting copper. Thus the income tax, which was originally urged because of its flexibility, is made to bear the burden.

With regard to the tax on estates the point of view has been taken that although some thirty States have inheritance taxes the States have realized from this source only \$26,000,000 in 1915, and consequently the Federal government will not very substantially encroach on their sources of revenue. In 1914 Great Britain collected \$132,000,000 from taxes of this nature.

Taxes on makers of munitions are said to be levied in Canada, Denmark, France, Germany, Great Britain, Italy and Sweden. So far as the pending legislation taxes the production of copper, some protests are being made.

Taxes Discontinued

The present stamp taxes will be abandoned. After the bill is passed stamps

will no longer be required on bonds, deeds, promissory notes, bills of lading, telegraph and telephone messages, policies of insurance, cosmetics, and other items reached by the emergency legislation enacted in the Autumn of 1914 and continued last December for another year.

Foreign Competitors

Not only is provision made for a tariff commission in the manner decided upon in January, but specific protection through import duties is given for American manufacturers of dyes. The crude products of coal tar, according to the plan of the House, are to be free of duty. The "intermediates" which are produced from the "crudes," which in themselves are not dyes but may be turned into other products such as explosives and pharmaceutical preparations, are made dutiable at rates which have been estimated at 40 per cent ad valorem according to the price of German intermediates in 1913. Finished colors, which are made from intermediates, are on the same basis said to be given an average protection of 83 per cent.

Unfair Competition

Not only dye-makers, but all other American manufacturers, will get such benefits as are contained in provisions of the omnibus bill which are meant to deal with unfair competition from abroad. The sale of any imported article at prices systematically and substantially less than those which may prevail in the markets of the country of production, or in the markets of other countries to which exports are made, is declared illegal under penalties of fine and imprisonment, if the object is to destroy or injure an industry in the United

States. Proper allowances are to be made for freight and other expenses. Moreover, double duties are to be laid upon articles imported with an understanding that any person in the United States who uses them is not to use the products of competitors. To enforce these provisions the machinery of the Department of Justice, and not the procedure of the Federal Trade Commission, is to be utilized.

Combination for Export Trade

Legislation such as has been consistently advocated by the National Chamber since the first months of 1915, and similar to recommendations made by the Trade Commission in May of this year, is proposed in a bill introduced at the end of June by the Chairman of the House Judiciary Committee on the subject of combinations for export trade. Hearings are being held by the Committee as this issue of THE NATION'S BUSINESS goes to press.

As a further protection for American interests this bill undertakes to bring within the prohibition of the Trade Commission law against "unfair methods of competition" acts which are done in foreign countries. This proposal raises questions concerning the jurisdiction of the United States, but is presumably brought forward on the theory that persons within the jurisdiction of American courts might be enjoined from doing certain acts anywhere.

Joint Foreign Banks

For the greater part of two months the bill which will allow national banks to join in forming a corporation for the purpose of engaging in the business of

banking in foreign countries has been upon the Senate calendar awaiting attention. Since the House passed the bill, action by the Senate will assure early legislation.

Rural Credits

Attended with little debate, the bill for a Federal system to facilitate loans on agricultural lands, financed by issues of bonds put out by twelve Federal land banks and by joint-stock land banks, passed both Houses at the end of June and has now become law. The Government may become a subscriber to the capital stock of the Federal land banks and may make loans to the land banks in an aggregate of \$6,000,000 a year.

Public Roads

Cooperation with the States in building rural post roads is provided in another of the bills which have recently been approved by the President. This law lays down the plan. Money is to be appropriated later. The Federal appropriations will be \$5,000,000 in the first year and will increase to \$25,000,000 in the fifth year. There will be \$10,000,000 further for roads and trails in national forests.

Shipping Bill

The length of this session of Congress very largely depends upon the Shipping bill. This measure, with its provisions for Government ownership of merchant vessels and in a contingency for Government operation, as well as for regulation of water transportation through a Shipping Board, passed the House on May 20, and until July 5 remained in the hands of a subcommittee of the Senate. Ap-

parently failing to agree upon changes which should be made, the subcommittee then placed the bill before the Committee on Commerce, which, in turn, has had difficulties in dealing with the questions which are involved. Caucuses, however, have been held by majority Senators which have resulted in suggested changes which promise a majority agreement in the Senate and the consequent passage of the bill at a date very much earlier than was anticipated a week ago.

Other Transportation Measures

Numerous other bills pending in Congress deal with interstate or over-seas transportation. A bill which would, in important ways, amend Federal law on the subject of bills of lading, both domestic and export, has been favorably reported from Committee to the House. Proposals for enlarging the membership of the Interstate Commerce Commission and for an investigation of the whole basis of Federal regulation of railroads are on the calendars. Toward the end of June a resolution such as was advocated in the National Chamber's Sixteenth Referendum, recommending an immediate investigation by the Commerce Commission into the wages of all classes of railway employees, was introduced in the Senate. Finally, conferees between the House and Senate have been endeavoring to decide whether the compensation of the railroads for carrying the mails—a sum of sixty million dollars or more a year—should be based upon the space used for this purpose in cars, as contended by the Post-Office Department, or should be placed before the Commerce Commission for study and adjustment.



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THE HOUSE OFFICE BUILDING, WHICH, WITH A TWIN BUILDING, THE SENATE OFFICE BUILDING, WAS BUILT TO ACCOMMODATE THE GROWTH OF CONGRESS IN WORK AND PERSONNEL

Business Policies in Party Platforms

Referendum Questions Become National Policies

IN the beginning, it was a question whether a satisfactory vote on an important national question could be obtained from such a widely extended and varied membership as that of the Chamber of Commerce of the United States of America. However, in the three and a half years which have elapsed since the first referendum was taken on the subject of a National Budget, the vote of the commercial organizations of the country has shown a steady growth, not only in volume, but in the successful perfection of the machinery by which it is obtained.

A measure of the success of the various referenda has also been due to the wise selection of subjects. There is no better proof that these subjects have been confined to matters of national importance than the fact that half of those on which the business men of the country have been asked to register their vote in the past three and a half years are referred to as already achieved, or worthy of immediate enactment in the platforms of the Republican or Democratic parties. In its record of achievement, the Democratic platform refers with satisfaction to the Federal Reserve System and the establishment of the Federal Trade Commission. Both of these forward steps were strongly advocated by the National Chamber. The report of the Chamber's Standing Committee on Currency and Banking, relating to the Owen-Glass Currency bill, was made the subject of Referendum No. 4. As a result of the referendum, the Chamber in endorsing the new banking system, advocated the creation of an advisory council—now an established feature of the Reserve Banks—and a number of other measures which have been incorporated in the Federal Reserve Act. The report of the Chamber's Special Committee on Trust Legislation relative to the proposals to create



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SENATOR WILLIAM H. STONE,
Chairman of the Committee on
Resolutions at St. Louis which
drafted the Democratic Plat-
form

determined, it is found that the Democratic platform endorses the preparedness measures which are now before Congress and which, as formulated in the Senate at the time of going to press, embody to some degree a majority of the measures advocated in Referendum No. 15, on the subject of National Defense.

There is endorsement for Federal aid to vocational education, the subject of Referendum No. 14. The Democratic platform also favors the initiation of all appropriation bills in the House of Representatives through a single committee, as being a first practical step towards a national budget system. A National Budget was the

a Federal Trade Commission was made the subject of Referendum No. 7. The act creating the Federal Trade Commission now incorporates important features advocated by the Referendum and forms a fair example of the value of registering business opinion and placing it at the disposal of the Government and Congress for such consideration as may be deemed appropriate.

Another measure strongly advocated in the Democratic platform is the establishment of a Tariff Commission, a measure which was endorsed in 1913 in Referendum No. 2. It has now passed the House. In turning to

questions
still un-

subject of the first referendum taken by the Chamber of Commerce of the United States, in January, 1913.

The Democratic party urges the upbuilding of a Merchant Marine, but contrary to the recorded sentiment of business opinion as obtained in Referenda Nos. 9 and 12, endorses the present shipping bill (which includes the objected feature of Government ownership and operation) and upholds the continuance and enforcement of the Seamen's Act.

The Republican party platform also includes a number of subjects which have been covered by referenda taken by the National Chamber. On the subject of a Tariff Commission, a Merchant Marine, and a National Budget, very much the same attitude is taken as that to which the Chamber is already committed. The same is true of vocational education. In regard to the question of preparedness, the Republican party seems less specific than the Democrats, having no actual legislation in view to serve as a criterion.

It nevertheless urges the establishment on general principles of an army and navy which would seem to measure up, at least in part, to the comprehensive scheme laid out by the National Chamber. Neither party, however, in taking up the question of preparedness has gone so far as to advocate universal military training, a feature which business men believe to be the foundation of any sound plan of defense.

The Republican party also declares itself an advocate of Industrial Independence. At the Fourth Annual Meeting of the Chamber of Commerce of the United States a resolution was passed in support of measures to assure industrial protection and independence.



SENATOR HENRY CABOT LODGE,
Chairman of the Committee on Reso-
lutions at Chicago which drafted the
Republican Platform

Organized Arbitration of Trade Disputes

By SAMUEL ROSENBAUM—*An Address Delivered Before the Chicago Association of Credit Men*

A VERY large proportion of the business disputes of England never come into the courts at all, but are adjusted by tribunals established within the various trade associations and exchanges. This is especially true of the vast wholesale distributing trades which are responsible for a great part of the immense volume of imports and exports constantly flowing through the ports of England and giving them the commanding position they occupy toward the sea-borne trade of the world. Disputes over the quality and condition of consignments of grain, cotton, sugar, coffee, fruit, rubber, timber, meats, hides, seeds, fibres, fats, and countless other articles of commerce, as well as every conceivable variety of dispute that can arise out of a contract for the sale and delivery, such as questions of delays, quantities, freights, interpretation, etc.,—all these are passed upon by business arbitrators selected by reason of their familiarity with the customs of the trade and with the technical facts involved, and not submitted to juries whose ignorance would usually be equally comprehensive.

So firmly established is the custom of arbitration in these lines that every contract form used by shippers, brokers, buyers and users of these articles contains a clause binding the parties to submit to arbitration any dispute that might arise out of the contract. But it is not these trades alone that resort to arbitration. The arbitration clause will be found in every charter-party for the hire of a ship, in every bill of lading for goods carried by sea, in every salvage agreement, in every policy of marine, accident or fire insurance, in every building contract; in every engineering contract, whether mechanical, electrical or gas; in every lease of property, in every partnership or agency agreement, and in innumerable other forms of contract. Finally, there is a well-confirmed tradition among business men, even though there is no written contract covering a particular dispute, to submit differences to arbitration after they have arisen.

By the law of England an agreement to arbitrate is enforceable, for the courts will refuse to entertain a suit brought by a party to such an agreement, and the pleading of the agreement will defeat any

action brought on the contract. The parties are bound to arbitrate. Further pressure is brought to bear on persons unwilling to arbitrate by the trade associations, which will suspend their privileges from members who do not submit to the rules for arbitration.

In some associations there is an Arbitration Committee before whom the hearings are held in the first instance; others require the parties to name their own arbitrators (either one or two or three), but provide a Committee of Appeal of

the point in question; the point will be decided by the court, and the arbitrators are then bound to use that decision in coming to their final conclusion. Again, the arbitrators may be able to agree on all the actual facts in the case and determine them completely; they may then state their award in the form of a complete statement of the facts, asking the court to apply the law thereto just as it would on a verdict found by a jury.

When this method is pursued arbitration affords the ideal form of procedure. A judge is handicapped in hearing a trade dispute by his lack of technical information; a commercial arbitrator, though he has not the same capacity for weighing and sifting evidence as a trained judge, knows instinctively what the usages and course of his particular business require. On the other hand, the layman should not attempt to decide questions which are purely on the law; after finding the actual facts as they are, he should turn them over to the court for the application of the law.

The advantages of arbitration over litigation are, therefore, mainly to be found in the intelligent decision of questions of fact. In addition to this one must consider (1) that arbitration is more convenient, because the hearings can be fixed to suit the convenience of business men so that they need not waste time waiting in courtrooms; (2) it is more expeditious, as a case can be finished in a few days if necessary; (3) it avoids irritation, as there is no publicity, and no such staging of a trial as in an open court, where the parties face each other like enemies. But it must not be supposed that arbitration is cheaper than law-suits; in the average case it will not be cheaper in actual expenditure, although the saving of time and friendship and the satisfaction of an expert decision are worth much.

Trial by jury seems to be so firmly imbedded in our American court procedure that it seems hopeless to look to our legislatures for the establishment of any commercial tribunals embodying the features here set forth, and it must be left to the resourcefulness of American business men to find a way to utilize for the settlement of disputes the knowledge, experience and sense of fairness that can be found among them.

The London Court of Arbitration.
Conducted under the management of the Corporation of the City of London and the London Chamber of Commerce, (Incorporated).

Telephone Address: 1
 CANNON STREET, LONDON, E.C. **1 & 2, OXFORD COURT, AND
 97, CANNON STREET, LONDON, E.C.**

Arbitration in Commercial Disputes.

1. The Arbitration Committee desire to bring to the notice of members the facilities which the London Court of Arbitration provides for the speedy, economic and efficient settlement of commercial disputes.
2. The London Court of Arbitration has recently been reconstituted, and now consists of equal numbers of representatives of the Corporation and the Chamber, ten being elected and two appointed by each body, the appointed members being, by the Corporation, Sir John C. Bell, Bt., and Sir T. Vesey Strong, K.C.V.O., and by the Chamber, Mr. Lionel A. Martin (Chairman of Council) and Mr. Arthur Serena (Deputy Chairman of Council).
3. The Court is the successor of the "London Chamber of Arbitration," formed jointly by the Corporation and the Chamber of Commerce in 1892 at the Guildhall. In 1905 it was located at the London Chamber of Commerce, and has since performed useful work in supplementing, but not superseding, the machinery of the Law Courts, and the arbitration procedure in the grain, coal, metal, timber and produce markets, under clauses in contracts.
4. The carefully compiled list of arbitrators of the Court consists of experts in every important trade, so that parties to an arbitration under its auspices may be assured of obtaining the judgment of thoroughly competent authorities appointed by an impartial body.
5. The Rules of Procedure have been revised and brought into harmony with modern requirements, with a due regard to the views and interests of both lawyers and laymen, and business men have largely availed themselves of the facilities offered. Copies of the Rules can be obtained from the Registrar, on application.
6. **Procedure.**—Under the Rules of the Court either the Court or the London Chamber of Commerce will nominate an Arbitrator, Arbitrators, or an Umpire in the following cases:—
 - (a) When there is a clause in a contract specifically naming the Court, or the Chamber, or the President or Chairman of the latter, to make such nomination, and
 - (b) When both parties to a dispute jointly or severally agree to request the Court, or the Chamber, to nominate an Arbitrator, Arbitrators, or an Umpire.

The Court has no prescribed Form of Submission, but an unofficial draft is appended which, if acceptable to both parties, with or without modifications, can be signed, either jointly or separately, and returned to the Court.

**ARBITRATION CIRCULAR USED BY THE
 CHAMBER OF COMMERCE OF LONDON**

the association, which will hear appeals from the awards of arbitrators; some publish lists of arbitrators, naming their fields of special knowledge, for the guidance of intending parties to arbitrations. In many cases lawyers are selected to sit as arbitrators, either alone or together with business men.

A very strong feature is that in any case the arbitrators may obtain the opinion of a court of law upon any legal question arising in the course of the proceeding which they feel must be decided before they can properly dispose of the case completely. The arbitrators will submit to the court a statement of so much of the facts necessary to raise

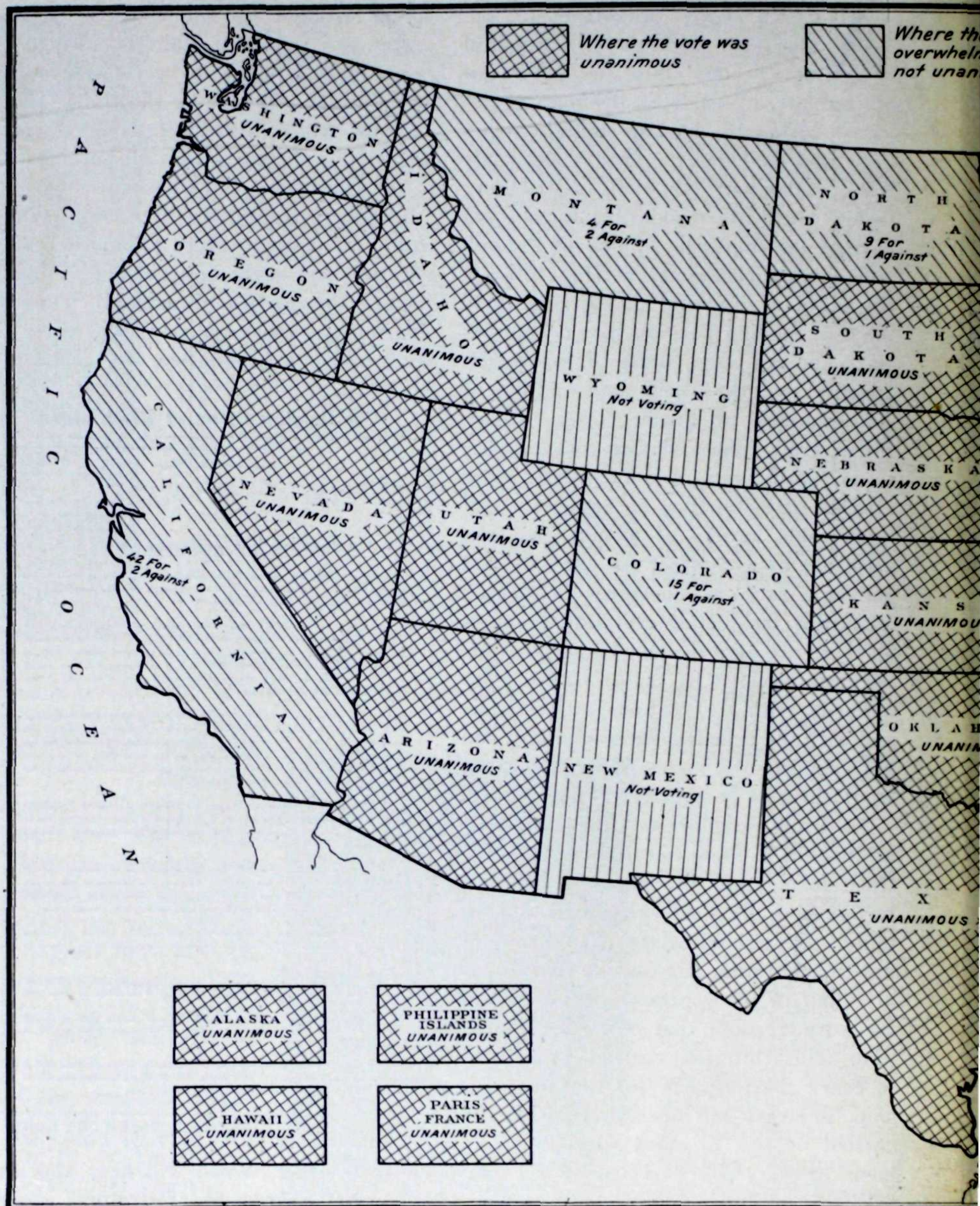
The Overwhelming Business Vote

A Graphic Presentation of the Actual Vote by States Cast by Commercial and Trade Organizations

HOW many people in the United States, even how many business men, would have ventured six months ago to predict that the commercial and trade organizations of the Chamber of Commerce of the United States, the leading business associations of the country, would come out solidly for universal military training? Yet such a prediction would, if anything, have proved short of the truth. Business men have gone further. They have registered their support of a system of universal military training which is to be enforced by law to provide adequate industrial, as well as military and naval forces, both in peace and in war. The system is not to stop short at the brink of war and turn the fate of the country over to patriotic volunteers; it is to be enforced by law to provide man power for defense in war.

Public opinion has gone forward with giant strides since the outbreak of the European war. The army and navy appropriation bills in Congress go far beyond anything ever before considered in time of peace. The navy building program of the Senate includes eight capital ships for the first year, in a scheme covering a period of three years. This very nearly measures up to the standard set in Referendum No. 15, calling for a navy second in the Atlantic with a surplus force in the Pacific big enough to protect our possessions, trade routes and the Canal. The army reorganization law has already provided for a regular force in excess of two hundred thousand men—very nearly up to the number called for by the General Staff of the Army and endorsed by the referendum. The army appropriation bill reported by the Senate Committee on Military Affairs provides for a Council of National Defense whose functions measure very closely to the combined duties of the Council of National Defense and Staff of Industrial Mobilization called for by the vote of the business men of the country. A further provision authorizes direct purchases from private firms analogous to the system of prearrangement for war supplies approved in the referendum ballot.

However, one essential element of the referendum, indeed the keystone of the arch, at time of going to press is still lack-



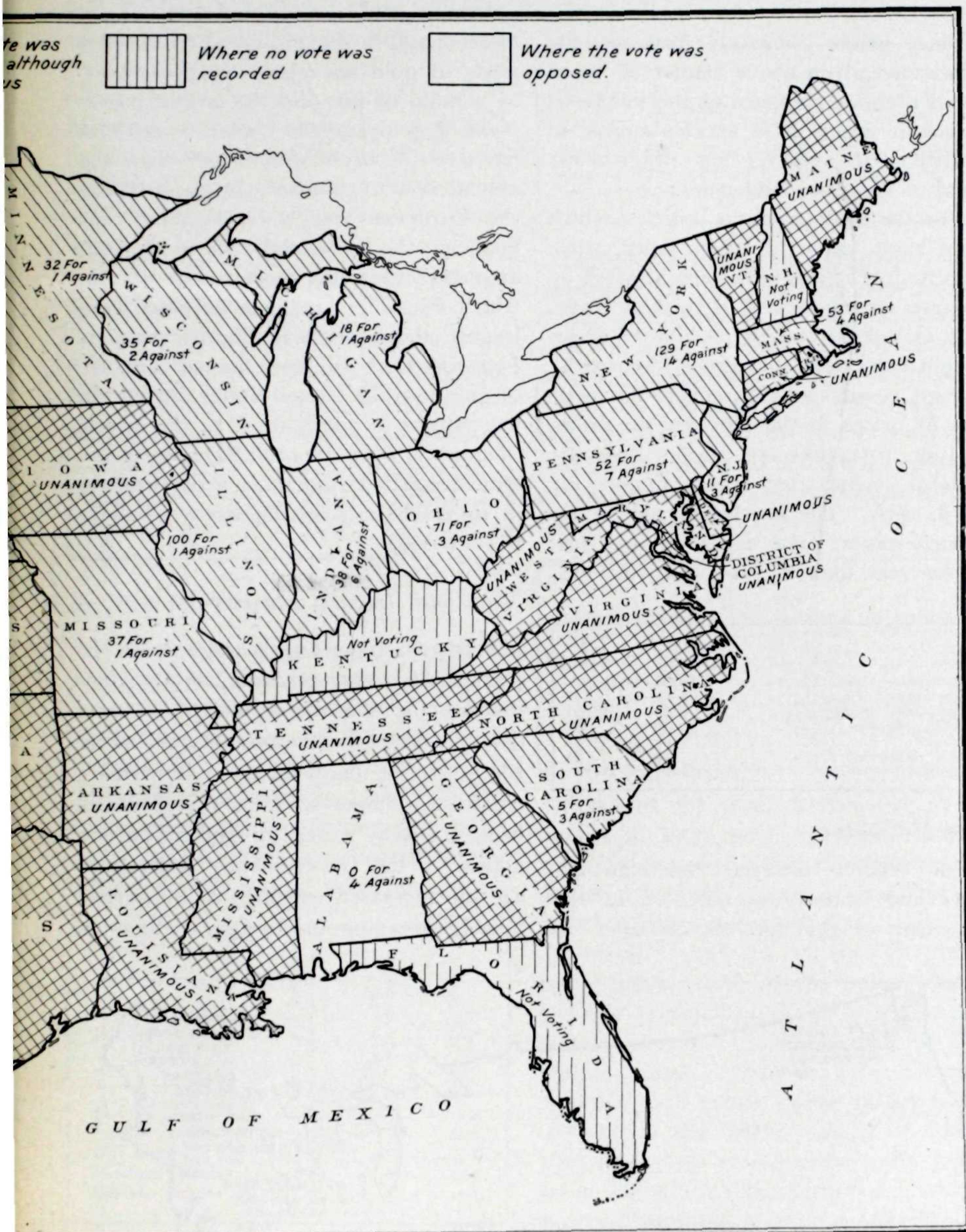
Here is what is momentous in this chart of how 359 commercial organizations voted unanimously in favor; in 16 other States the vote was overwhelming although not unanimous. Such a disclosure of public opinion

ing consideration by Congress. There is no bill before either the Senate or the House which provides for a national system of universal military training. Yet public opinion is swinging strongly to a final conclusion on this vital subject. One of the most significant indications of this was the resolution drafted at the conference of mayors of a large number of cities at St. Louis last winter. Added to that has been the active propaganda of the National Security League and a number

of other patriotic associations. And now has come the overwhelming testimony from that section of opinion which is not only most conservative but which is also most closely concerned with the actual cost and with the economic problems which go with any system of universal military training. The ballot shows 889 votes in favor and only 56 against a system of universal training which shall be enforced by law to furnish men for defense in war as well as in peace. Forty-

for Universal Military Training

The Referendum on National Defense Taken by the Chamber of Commerce of the United States



tary policy and be enforced by law to furnish adequate land, sea and industrial forces in peace and war."

This is not a simple statement for a ballot. But the subject is a new and complicated one for Americans and has many angles which are as yet unfamiliar in this country. The main point is that business men have now recognized the military obligation in a democracy as of equal rank with the civic duties of citizens and stated their conviction that recognition of this principle is fundamental. They have gone further, and recorded a conclusive vote that a system of universal military training is one which will affect every man alike. In other words, instead of being militaristic or aristocratic, it is a thoroughly democratic principle.

Finally, business men are not afraid of compulsory military education. They believe it will develop a better-balanced and more self-disciplined youth from which to build succeeding generations of American citizens. They have registered their opinion that it will not only prepare citizens for wars which all hope to avoid, but will fit them better for virile, substantial peace which all hope to enjoy. They do not fear the obligation of military training any more than that of taxes or of education. Few believe that if the collection of taxes were left to the compulsion of the spirit of America very much revenue would accrue. There is no less reason to believe in obligatory taxes than in obligatory defense. Long enough the patriotic and self-sacrificing volunteer has shouldered the rifle, and with it the duty, of his neighbor. Long enough has he been the victim of the loosely knit and slow-moving military machine which, in our own history, invariably results from such a system. The beginning of compulsory education was regarded by a famous English philosopher, Herbert Spencer, as the doom of progress; it has proved to be one of its mainstays. The acceptance by the American people of an equal obligation for military duty on the part of all citizens should, it is believed, prove of equal value. It is now urged emphatically by a responsible and conservative element of the public and in this movement the Chamber of Commerce of the United States will, therefore, be led, necessarily, to play a large part.

voted on Universal Military Training: Organizations in 26 States voted not unanimous; 5 States failed to vote; in only 1 State was the vote against. without precedent in this country.

three States were represented. A responsible and intelligent element of the citizens in twenty-four of these States voted unanimously. In eighteen others the vote ranged from more than 100 to one to two to one. In only one State was the vote opposed.

It is no exaggeration to say that this is the most momentous disclosure of public opinion which has yet been produced. What does it mean?

The actual wording of the question

as finally drafted in the ballot was the result of exhaustive study and discussion on the part of the committee which drew the referendum report. Here it is:

"The committee, recognizing military obligation equally with the civic obligations as a fundamental duty of democratic citizenship in a republic, and to establish a system which will affect every man alike—recommends that universal military training be adopted as a fundamental democratic principle of our mili-

Trade With the World

Expansion of Export Trade Under War Conditions

THE Government keeps its accounts by fiscal years that end with June. For the complete fiscal year of 1916, which has ended within a fortnight, statistics are not yet available. But there are official figures in detail to the end of April and official summaries to the end of May. These figures make it certain that the value of exports in the twelve months which closed with June will exceed four billion dollars and the value of imports goes over two billion. In other words, our foreign trade in goods and merchandise has doubled in ten years.

Record of Two Years

Fully one-half of this increase has come in the two years which have elapsed since July 1, 1914. Moreover, a billion and a half of these two billion dollars represents increased value in exports.

Values are necessarily taken as the basis for these figures. Consequently, a question arises how far the growth of official figures reflects greater trade rather than higher prices. According to the records of the Bureau of Foreign and Domestic Commerce the average export prices of fifty-eight articles out of seventy-six were higher in April, 1916, than in July, 1914. These items include, for customary quantities:

Since prices constantly fluctuate, the quotations given above cannot be taken as an accurate measure of the increased values at which these articles appear in statistics of exports, but nevertheless serve to illustrate tendencies.

For the most part the articles which show lower export prices in April, 1916, than in July, 1914, have been affected by adverse circumstances in foreign trade, such as lack of vessels, prohibitive ocean freight rates, and embargoes imposed by foreign countries. Moreover, the relation of prices in the last year to prices in July, 1914, has not always been the same as is indicated by the figures for April, 1916. The articles for which the average export price was lower in April of this year than in July, 1914, include:

	April 1916	July 1914
Anthracite Coal	\$5.24	\$5.32
Bituminous Coal	2.24	2.35
Phosphate Rock	5.80	6.94
Dried Apples .....	.06	.08
Prunes .....	.071	.073
Leaf Tobacco .....	.122	.130
Lumber	22.22	23.10

Gold Movement

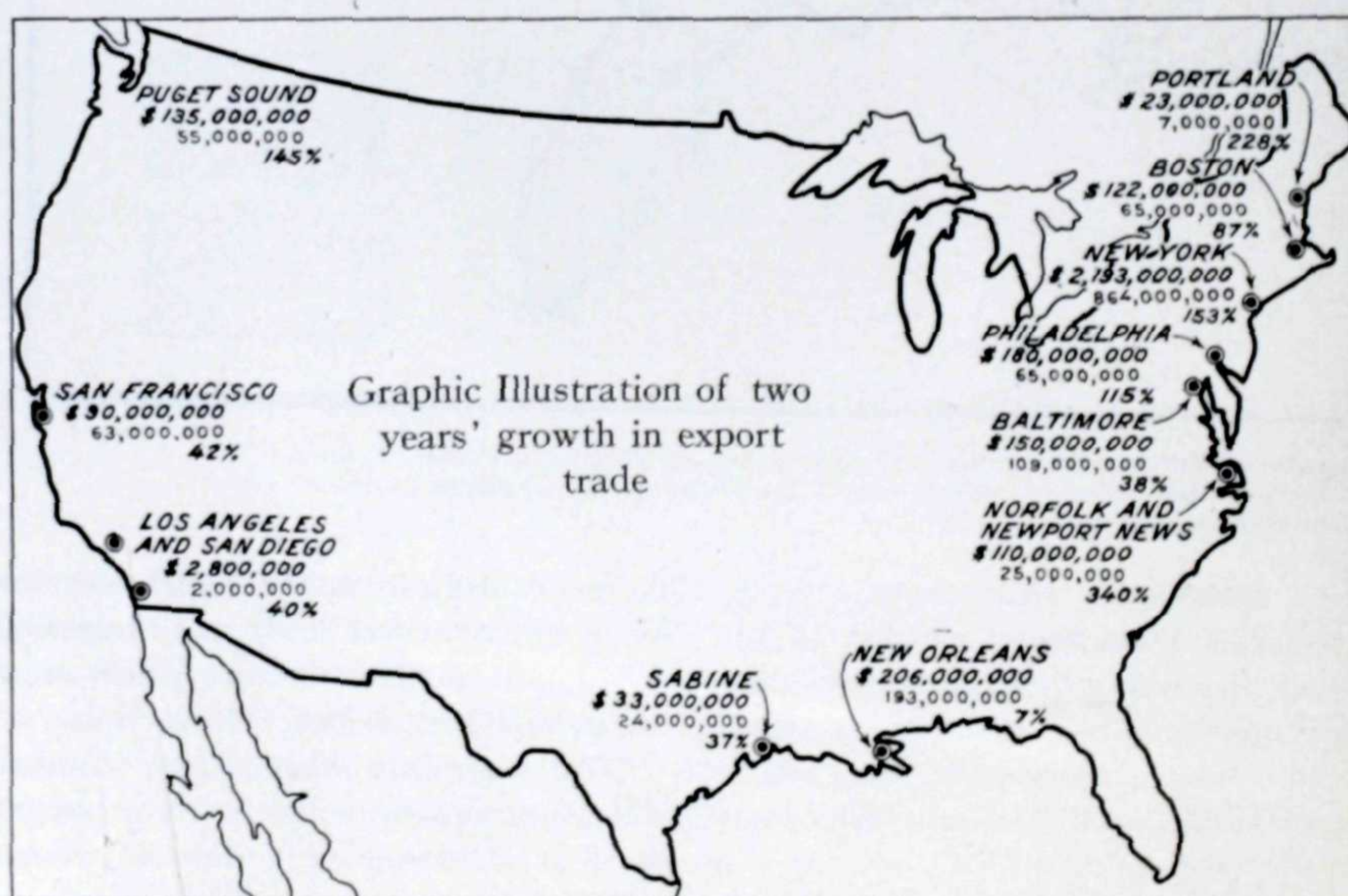
The relation between American exports and imports is reflected in the movement of gold into the country. In

ten months, to the end of April, the imports of gold have been \$343,000,000—by a hundred per cent the largest movement of gold into the United States that has ever occurred and larger than the annual flow of gold into England before the European war when England was financing the trade of the world; for example, in 1913, the most recent year in which England's imports of gold were largest, the figure was slightly short of \$300,000,000. In fact, the net imports of gold into the United States during the ten months in question—i. e., the excess of imports over exports, \$274,000,000—almost equaled England's gross imports in 1913, when its net imports were about \$65,000,000.

"Invisible" Imports and Exports

Statistics regarding foreign trade in merchandise and precious metals may indicate the ultimate results of international business, but they do not make clear the extent of many forms of "invisible" exports and imports. Thus, foreign loans being made by American bankers do not appear in the Government's tables, nor are the increased earnings of American vessels engaging in foreign trade any-

	April 1916	July 1914
Barley	\$.87	\$.54
Corn .....	.84	.77
Wheat	1.32	.91
Wheat Flour	5.71	4.58
Beef, canned .....	.21	.12
Salmon, canned .....	.09	.08
Sugar .....	.055	.022
Apples	4.50	3.66
Cement	1.47	1.43
Copper .....	.26	.13
Cotton .....	.127	.124
Cotton Cloth:—		
Unbleached .....	.10	.07
Colored .....	.23	.20
Iron and Steel:—		
Pig Iron	21.76	13.81
Billets, Blooms	52.25	19.75
Nails .....	.029	.019
Steel Rails	35.13	29.26
Structural	50.30	33.17
Tin Plates .....	.04	.03
Wire, barbed .....	.035	.021
Other .....	.031	.020
Leather:—		
Sole .....	.34	.26
Upper Calf .....	.32	.22
Boots and Shoes, Men's	2.58	1.94
Rosin	5.81	4.50
Turpentine .....	.53	.47
Crude Petroleum .....	.04	.03
Gasoline .....	.17	.11
Cottonseed Oil .....	.11	.07



The larger bold figures under the name of each port give the value of exports for the fiscal year ended June 30, 1916.

The lighter figures underneath give the value of exports from the same port in the fiscal year ended June 30, 1914.

The percentage in each case shows the two-year increase.

As the final returns for May and June, 1916, are not available at time of going to press, the figures for these two months have been estimated on the basis of the preceding ten months—an estimate somewhat less than the actual statistics apparently will show.

where set forth. The "exports" of England in the form of ocean transportation which was supplied between foreign ports, and for which foreign countries had to pay exactly as they paid for merchandise they bought in England, and British "imports" in the form of carriage which was performed in taking goods to England, and for which England paid its own shipowners, have for years been important items in England's accounts with the rest of the world, but they never appeared in the statistics.

In the most recent year for which official statistics can be had readily the foreign trade of important foreign countries was represented by the following figures:

Great Britain	(1915)	\$5,025,000,000
Germany	(1913)	4,966,000,000
Netherlands	(1913)	2,813,000,000
France	(1915)	2,141,000,000
Belgium	(1913)	1,691,000,000

Business of American Ports

Whatever statistics may fail to show, they bring out some concrete facts. For instance, they indicate the extent in which the foreign business of American ports has grown. This data can be set out conveniently in tables and charts. The figures represent the percentages of increase, or decrease, as estimated for the twelve months closing with June.

	Since 1914 Im- ports and Exports	Since 1904 Im- ports and Exports	Since 1914 Ex- ports Alone
Atlantic Coast	60%	156%	117%
Pacific Coast	77%	295%	80%
Gulf Coast	14%	56%	-14%
Northern Border.....	26%	203%	42%
Mexican Border	6%	25%	25%

Increases in foreign business at individual ports are shown in terms of exports upon the map printed on page 14. The upper figures indicate estimated exports for the twelve months that closed on June 30, 1916, the italic figures stand for the exports in the corresponding year of 1914, and the percentage represents the ratio of increase in two years.

Countries Getting the Exports

Before the European war began the distribution of American exports was gradually changing. Instead of the

seventy-two per cent which went to Europe in 1904 the percentage was sixty-three in 1914. The following table roughly indicates the shifting proportions:

	Europe	North America	South America	Asia Oceania	Africa
1904...	72%	16%	3½%	6½%	1½%
1914...	63%	22%	5%	8%	1¼%
1916...	69%	17%	4%	8%	1%

Figures in gross, such as those just cited, conceal many striking changes in trade. In the twelve months closed with June in 1914, a value of \$367,000,000 went to Germany and Austria; in the year which has now ended the value will be about \$436,000. To the Netherlands exports have decreased from \$112,000,000 to \$96,000,000. Increases in other directions are almost as striking.

	1916	1914
United Kingdom...	\$1,422,000,000	\$594,000,000
France	572,000,000	159,000,000
Italy	264,000,000	74,000,000
Russia in Europe..	172,000,000	30,000,000
Via Vladivostok..	102,000,000	1,200,000
Denmark	55,000,000	15,000,000
Sweden	55,000,000	14,000,000
Norway	51,000,000	9,000,000

Some of the most striking of these figures in large part represent trading which is now direct, but which formerly occurred through centers of distribution in other European countries.

Outside Europe the statistics of American exports undoubtedly reflect local business conditions and difficulties in obtaining supplies elsewhere than in the United States. Thus, in 1914, Central America took goods valued at \$39,000,000 and in the twelve months of 1915-1916 has taken almost exactly the same value, but on the other hand Cuba, which is very prosperous, purchased \$68,000,000 in 1914 and this year has bought almost \$125,000,000. Data for American exports to other countries show similar results.

	1916	1914
Argentina	\$64,000,000	\$45,000,000
Brazil	37,000,000	30,000,000
Colombia	11,000,000	6,000,000
Peru	9,000,000	7,000,000
China	23,000,000	26,000,000
Japan	67,000,000	51,000,000
India	20,000,000	10,000,000
Australia	60,000,000	45,000,000
New Zealand	14,000,000	9,000,000
South Africa	22,000,000	14,000,000
Egypt	8,000,000	2,000,000

Probably no department store in the country offers for sale such a variety of

merchandise as is exported every week. The data completed by the New York custom house for July 6—which day is selected at random—represent domestic merchandise valued at almost nine million dollars. Forty-one thousand dollars' worth of American tools recorded in this compilation for the exports of New York alone in one day went to twenty-six countries. Eight countries received children's shoes, fourteen bought men's shoes and a like number took women's shoes. Twenty countries got agricultural implements. Sixteen countries purchased oil-cloth and linoleum, twelve obtained printing paper, twelve divided eight thousand dollars' worth of pencils, twenty-one shared perfumery invoiced at \$16,000 and twenty-one shared in passenger automobiles valued at a quarter of a million dollars. At the outside, the value of war supplies, including fresh and canned meats, clothing, and the like, as well as munitions, shipped to belligerent countries did not constitute much more than one-third of the total values in the day's compilation.

Some fifty-one vessels carried the goods which appear in the record of July 6. The American vessels happened to number exactly as many as the British—nineteen.

Foreign Point of View

Although the United States can scarcely be said to have sought to take advantage in neutral markets of the difficulties of the European belligerents, and in Latin-American countries, for example, has bought much more generously than it has sold, somewhat jealous attention has been given to American exports. In June a London weekly printed an article in which its correspondent stationed at Buenos Aires remarked, "The passenger trade between the States and Argentina is booming. Every liner comes with its cabins full, and leaves with quite as many. The ubiquitous American has realized that there is 'some' scope in Argentina. We even see private yachts in our port with copper kings, oil kings, and other such monarchs of mammon on board. Uncle Sam is seizing his opportunity; the great question is whether he will afterwards be able to retain what he is snatching during this spasm of difficulties which the 'householders' suffer under."

In this paragraph "householders" obviously are established British connections.



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THE INK USED IN PRINTING PAPER MONEY AND POSTAGE STAMPS AT THE BUREAU OF ENGRAVING AND PRINTING CONSUMED ONE OF THE LARGEST INDIVIDUAL CONSIGNMENTS OF FOREIGN DYE-STUFFS IN THIS COUNTRY

A Coming Industry

The Development of American Color Chemistry and Dyestuff Manufacture

IT has been stated that the total value of the output of the German coal-tar industry is about \$75,000,000 and that the annual importations to this country are only about \$6,000,000. British estimates at the beginning of the war indicated that they would have to provide for themselves about \$10,000,000 worth of dyes and dyestuffs which they formerly bought from Germany and which, as is also the case in this country, represented the major part of what they consumed in their domestic industries. It is in a way surprising that an industry which has attracted so much attention and had so far-reaching an effect in this country should be,—so far as we are concerned and from a comparative point of view,—of such small proportions. Any branch of industry in this country whose total annual output does not exceed \$6,000,000 is not generally regarded as a leading industry, but the dyestuff industry has so many ramifications that its importance cannot be measured by the cash value of output consumed. It has to be remembered that dyes, in the first place, are essential in the textile, leather, paper, printing, and paint and varnish industries. They are almost as important in a multitude of minor industries, including feathers, furs, straw-work, wood-work, shoe dressing, and many others. Furthermore, there are a host of other industries involving the use of color wares, so that a large part of the population of the United States, and indeed of other countries, is directly or in-

directly dependent upon regular supplies of dyestuffs.

Increase in American Dyes

When the war broke out we were making about 3,300 short tons of dyes in this country and importing 25,700 tons, 22,000 of which came from Germany. It may be said in passing that these dyes are artificial and produced by various synthetic color processes which Germany has mastered and, so far as the commercial world is concerned, had practically monopolized. But it would seem as

though this day had passed, for present estimates indicate that we are already making more than 15,000 tons of artificial colors from American coal tar. Well-informed authorities believe that by the year 1917 the bulk of artificial dyes consumed in this country may be made in American works, from American raw material, by American labor. In other words, there are many who believe that the war, which brought out in sharp relief the fact that in a number of lines we are not industrially independent and self-sufficing, may, in regard to the dyestuff industry, have brought its own remedy. A successful and permanent result will probably depend a good deal on whether Congress will provide protection, through tariff duties or other means equally or more effective, to enable this coming industry to attain full stature before it has to meet on equal terms the keen foreign competition which it is bound to encounter.

The Government a Large Consumer

Any attempt to illustrate the importance of dyes and dyestuffs to this country would be incomplete without mention of its effect on the Government. One of the largest individual consumers of dyestuffs in the whole United States is the Bureau of Engraving and Printing, which produces all our paper money and postage stamps. In the latter part of August, 1914, when it became known that conditions in Europe would stop shipments of dyes to this country, Mr.



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JOSEPH E. RALPH, DIRECTOR
of the United States Bureau of Engraving and
Printing

Joseph E. Ralph, the Director of the Bureau, foresaw the embarrassment which not only the Government but the whole country might experience if he could not get ink colors to print dollar bills and postage stamps. He took prompt measures to procure all the available quantity of Red Lake, Prussian Blue, Chinese Blue, and Chrome Green that could be secured. But even this foresight which enabled the Bureau to obtain a domestic supply could not obviate war prices. The normal price for blue is from 23 to 30 cents a pound, but Mr. Ralph has had to pay as high as \$1.50 per pound.

It soon became evident that not only would the domestic supply be extremely expensive but it would be insufficient for the needs of the Government. Arrangements were accordingly made by the Department of State with the British and German Governments to secure a supply of essential colors, especially the reds, from German manufacturers, under an agreement which would recognize that the demands of the Government were quite different from the purely commercial demands of American importers of German dyes. Various shipments, aggregating approximately 100,000 pounds, have been procured under this agreement from Germany at an average price of about 35 cents a pound, as compared with an average price of about 25 cents before the war and with prices varying from \$1.50 to \$4.00 per pound for such amounts as could be obtained in this country. But even with this supply, the Bureau has had to husband its resources and conserve them to the greatest possible extent by diluting these colors with bases such as barytes and similar materials. Although some of the postage stamps issued have appeared paler than usual, the standard of the Bureau is, nevertheless, being maintained with considerable success.

Effect on Commercial Supplies

There is another angle from which the successful arrangement made by the Government for the importation of German dyestuffs can be viewed. The fact that the Bureau of Engraving and Printing has no longer had to add its needs to the abnormal drain on domestic supplies of dyestuffs has released just that amount for commercial consumption by private industry. As the Bureau is one

of the largest users of colors, this has had an important and appreciable effect, and has no doubt contributed materially to lessen local stringencies.

After the War

When the war began there were two countries which produced most of the chemical colors of the world, namely Germany and Switzerland, the proportions available for export in the two countries being in the relation of 9 to 1. The close of the war will see not only England but also the United States equipped with dyestuff industries which may prove adequate for domestic demands. Just what will happen cannot be forecast, but it is certain that England will spare no effort to maintain an industry which has been established in that country at the cost of so much capital and energy. It is also not unlikely that a strong demand will be made in the United States that the one great branch of color chemistry now wanting in the cycle of our national industries should be complete and self-sufficing on our own soil. The movement for preparedness will further accentuate this demand, because of the fact that coal-tar products, among which are dyestuffs, are a vital element in modern high explosives.

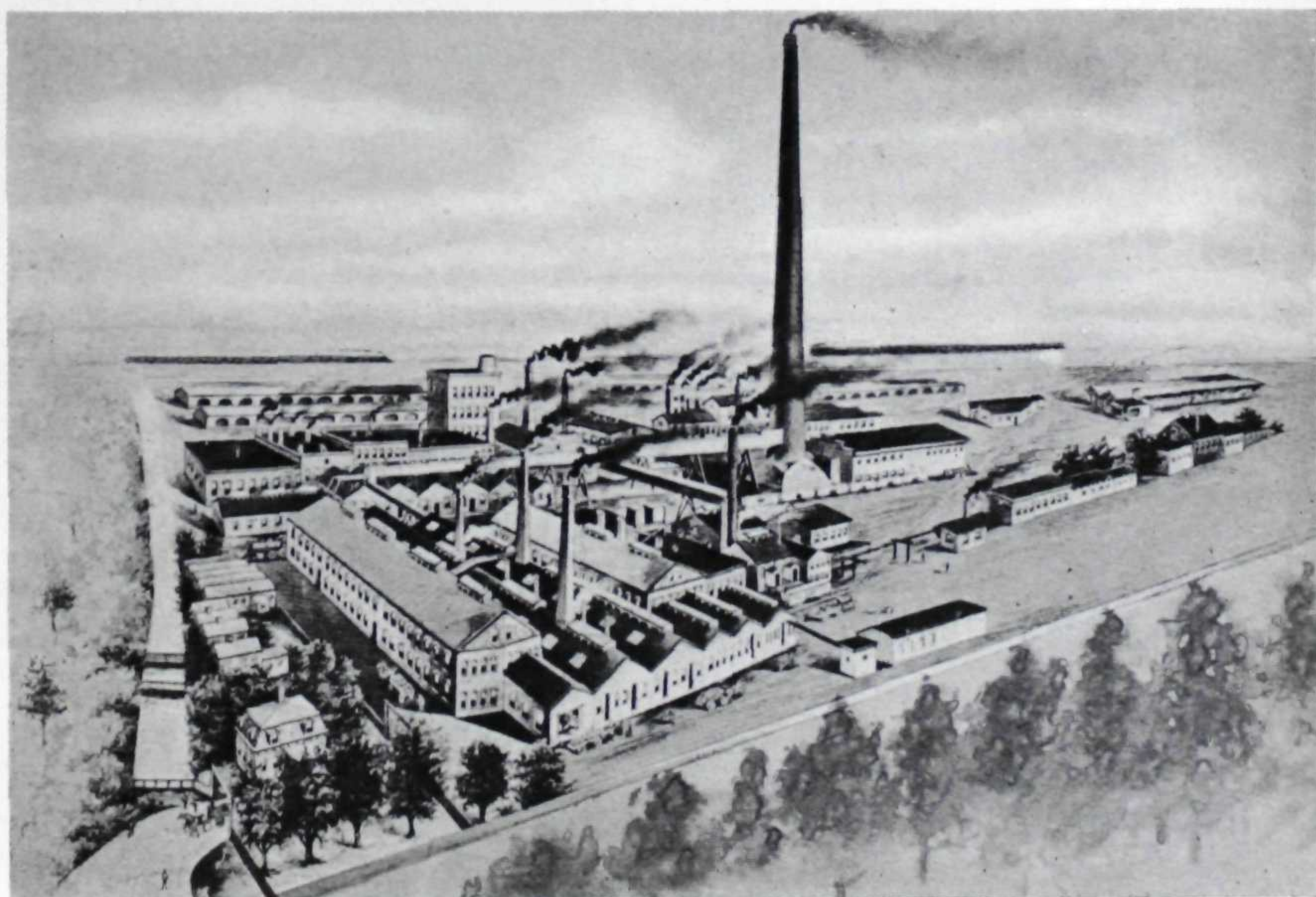
The Department of Commerce is about to publish a census of the dyestuff industry and is sparing no effort to encourage and stimulate every undertaking which will supply the domestic demand.

Help from Natural Dyes

There has, of course, been a movement to piece out the shortage by turning to natural or vegetable dyes, such as indigo and madder. Experiments have also been undertaken with yellow from osage orange. The domestic output of synthetic dyes, prepared by artificial processes, is still far from supplying the total demand. Here the existing equipment in several large American works has proved to be a valuable asset. The use of natural dyes such as logwood, fustic, have been much facilitated. In nearly all branches of the textile manufacture it has now been found practicable to introduce their use effectively. It is, therefore, not surprising to find it estimated that the current output of dyewood extracts is today about three times what it was in 1914. Denims and similar fabrics are now being dyed with logwood blue. A valuable adjunct to these natural dyes is the yellow which has been obtained from the osage orange of the Mississippi Valley.

Prospects for the Future

One thing is encouraging. The United States possesses all the raw material needed not only to supply its own demands for dyestuffs but also those of other countries as well. Without going too far into chauvinistic propaganda for industrial independence, there is no doubt much solid ground for the prospective success of a coming industry.



AMERICAN ULTRAMARINE AND GLOBE ANILINE WORKS OF THE HELLER & MERZ CO., AT NEWARK, N. J.



Photo Fon Fon, Rio de Janeiro

MEMBERS OF THE AMERICAN CHAMBER OF COMMERCE FOR BRAZIL

Mr. T. B. McGovern, the President, is seated third from the left, and the fourth from the left is Hon. Edwin V. Morgan, the American Ambassador, behind whom, to the left, is A. L. M. Gottschalk, American Consul General

The American Chamber of Commerce for Brazil

A New Outpost of American Business Established in Rio de Janeiro

THE following quotation from the current number of the *Quarterly*, the official organ of the American Chamber of Commerce for Brazil, should be especially interesting to readers of THE NATION'S BUSINESS:

"Meantime the Chamber had received the news that, on November 15, the organization had been granted affiliation as a branch on foreign soil of the Chamber of Commerce of the United States of America, at Washington. The date will remain a memorable one for our American Chamber for Brazil. The significance of this bond of association cannot be overestimated; it means that our Chamber here in Rio de Janeiro will enjoy all the prestige of the mother Chamber at Washington; that we will have full and free use of its numerous valuable publications; that both our American and Brazilian members will find a welcome when they reach the United States—in short, that our Chamber begins its young life, not humbly, for it represents great American interests and knows their worth, but proud and glad to associate itself in this way with a strong federation of many Chambers of importance in its native land."

As American business men branch out

in foreign trade they appreciate more and more the value of organized support. This has been especially so in Latin America, where British, French, German, and other foreign business houses have long-organized, well-established markets. The outbreak of the war by practically eliminating trade with Germany and Austria, and to some extent curtailing commerce with the other belligerents, naturally made Latin America turn to the United States for the interrupted sources of supply. The American Consul General at Rio de Janeiro, Mr. Gottschalk, had already taken an active part, when he was on duty at Constantinople, in organizing the American Chamber of Commerce for the Levant, and was able to be of considerable assistance to the American business man in Rio de Janeiro who saw the possibilities and the opportune occasion for the formation of an American Chamber of Commerce for Brazil.

Groups of American business men had established informal relations, but had acted independently. In June, 1915, an active movement was taken to bring to-

gether all local business interests concerned in trade with the United States. During July and August the Committee on Organization which had been formed, consisting of six leading representatives of American interests, worked quietly but unceasingly, and met with a hearty response, so that by October a temporary set of by-laws was approved and the present officers and board of directors elected, the first president being T. B. McGovern, the American representative of the Caloric Company.

The formation of this interesting organization is another illustration of that co-operation and community of interest which American business men are realizing to be as essential in foreign trade, if not more so, as it is in domestic trade. This new outpost of American commerce should have a tangible and definite influence in improving commercial relations between Brazil and the United States. At the same time, it ought to do much to enhance the prestige of American business and advance the feeling of cordial commercial relations between the two countries.

Chinese Chambers of Commerce

New But Rapid Growth of Commercial Organizations in China

ALTHOUGH it would appear that Chambers of Commerce were only definitely organized in China fourteen years ago, there have already been established fifty-four general Chambers of Commerce with 744 branches in smaller cities. Ten years ago, when these organizations were new, very little was done toward the extension of trade or to assume special activities in municipal affairs. Five years ago a commission representing the affiliated American Chambers of Commerce of the Pacific Coast made a visit to China and its members were surprised to find that the Chinese organizations had not yet learned to function in the same manner as their own. Since that time there has been a good deal of change. It is true that in some places, as in Canton, their most important functions still are to bring the grievances of individual firms to the attention of Government officials in such a way as to insure a hearing and to settle numerous arbitrations which contending Chinese merchants engage in. In such cases the reason for not engaging actively in the promotion of commerce is largely because each trade guild still exercises a jealous control over all the merchants in any one line of trade, and the Chambers of Commerce in many places are not willing to antagonize this influence.

In other places, however, the local Chambers of Commerce keep well informed regarding general conditions of trade, study modern methods of trade, endeavoring to improve quality of native products and to extend their markets. They also decide all disputes and claims between their merchant members. During the recent disturbances they have in some places also taken an active part in opposing exorbitant taxes, regulating of prices and have had much to do with the maintenance of peace and order.

Although the system of Chinese Chambers of Commerce is only fourteen years old, it is nevertheless evident that it is developing rapidly in spite of comparative inactivity in some localities. By law the various Chambers are organized under the supervision and control of the Ministry of Commerce, with the exception of the forty-one Chambers of Commerce abroad, such as the Chinese Cham-



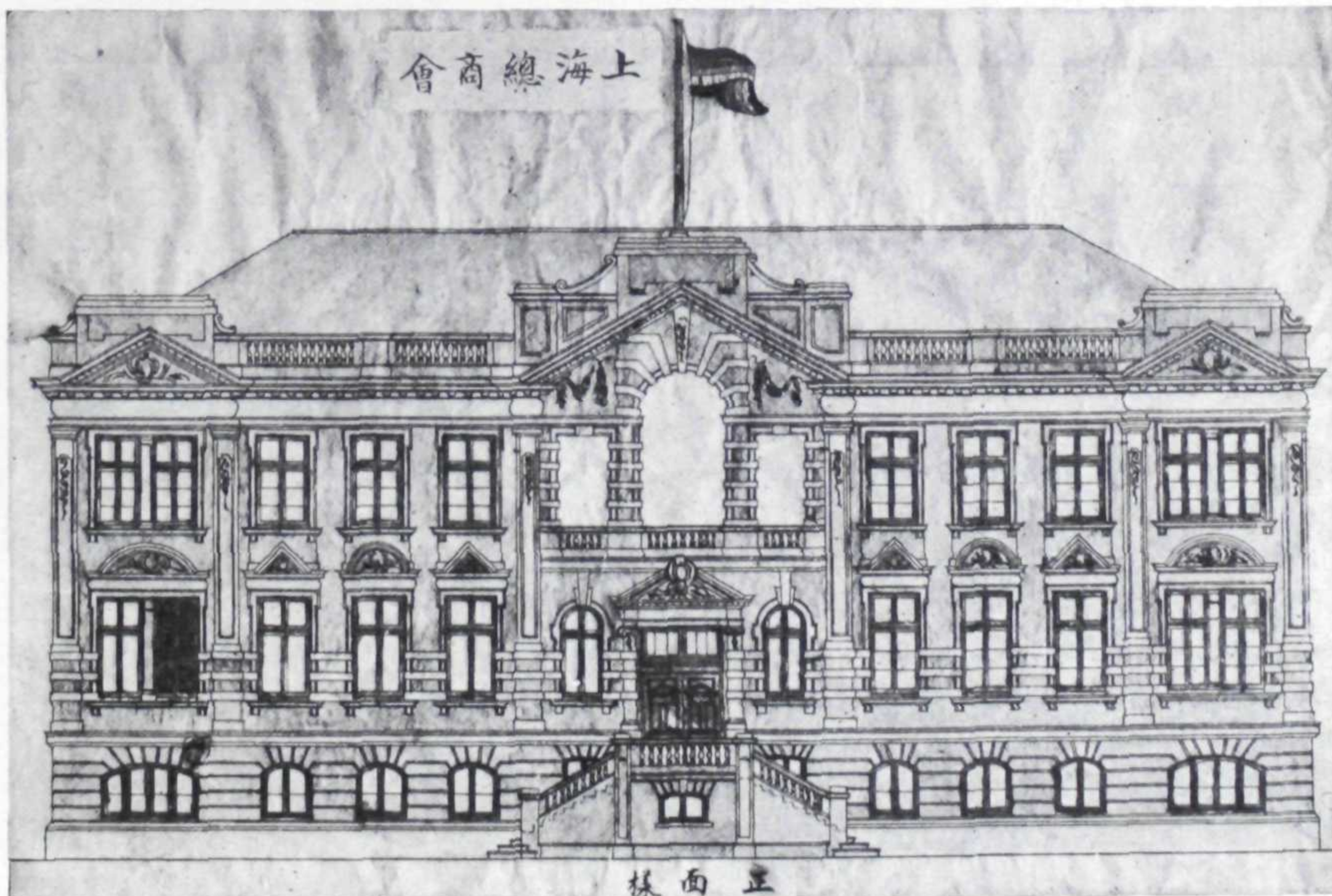
THE LATE YEN SHIAO FONG,
First President of the Chinese General
Chamber of Commerce of Shanghai

ber of Commerce at San Francisco, which are under the supervision of the Ministry of Foreign Affairs.

It has been said that the world might take a lesson from Chinese methods of arbitrating commercial disputes. On the other hand, it is to be remembered that Chinese legal procedure is even less rapid and direct than in many other countries, and that merchants have, therefore, turned more or less naturally to a less expensive and quicker procedure. Formerly the arbitration of these disputes was confined to various guilds. Discus-

sions, however, frequently extend beyond the scope of a certain guild, and on this account the recently established Chambers of Commerce are coming to perform a valued function in more extended arbitration. Arbitration has usually proved satisfactory, and it is said to be a regular custom for the parties to give a banquet after the award, the loser paying all expenses.

At such long range it is difficult to appreciate much of the new movements which are being undertaken in China, very largely on the part of Chinese who have come to Europe or America for their education. Lately the Ministry of Agriculture and Commerce at Peking has done much to encourage constructive mercantile and industrial work on the part of Chambers of Commerce. Partially from contact with visiting foreign commissions, particularly from the United States, and partially because of encouragement from the Ministry, there has now been organized an affiliated Chamber of Commerce for all China, with headquarters in the new building of the Chinese Chamber of Commerce at Shanghai. A sketch of the original plan of this building appears on this page. The building as now completed stands on a valuable piece of property in the heart of Shanghai, valued at about \$200,000, and represents a construction cost of something like \$70,000 gold.



PLAN OF THE NEW BUILDING OF THE CHINESE GENERAL CHAMBER OF COMMERCE,
SHANGHAI

The Senate Discusses the Railroad Situation

Debate on Introduction of Resolution Carried in Referendum 16

Mr. NEWLANDS, of Nevada: * * * I will bring up again the matter which I brought up this morning relating to the contemplated strike by a portion of the employees of the railroads of the country, some 300,000 in number, who are employed now upon freight trains, and constituting, I believe, about one-fifth of all the railway employees. I offered this morning a resolution which had been framed by the National Chamber of Commerce after a referendum addressed to all the member bodies some weeks ago, and which was almost unanimously indorsed by those bodies.

I asked this morning to have inserted in the *Record* a few pages from their report upon this matter containing the reasons for their support of the resolution and giving an outline of arguments in favor of the committee's report and another outline of arguments against the committee's report. The whole matter seems to have been very fairly considered by this chamber of commerce in the public interest, and without any expression as to the merits of the controversy, but simply as to the desirability of having this question settled without a lockup of transportation such as is threatened.

* * * I will ask leave to insert these pages from the report of the Chamber of Commerce of the United States in connection with my remarks during the morning hour.

Mr. LAFOLLETTE: Mr. President, the Senator, of course, can put the document which he has in his hand into the *Congressional Record* by reading it, but I object most emphatically to its going into the *Record* except it be read in. I cannot make objection to that. If I could I would, because I understand exactly what this Chamber of Commerce of the United States is doing. It is taking the place of the old and discredited associations of manufacturers of the United States. It sent out one of these prepared arguments for and against the seamen's bill some months ago to the local chambers of commerce throughout the country. It was a most partisan presentation of the subject.

I have not examined the document which the Senator from Nevada has in his hand, but if the arguments pro and con on the seamen's bill is any measure



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SENATOR NEWLANDS, OF NEVADA

of the fairness of the arguments presented on this measure, then, Mr. President, the votes of the various local chambers of commerce of the country, based upon what was presented to them, would be entirely misleading as a record of fair public opinion.

Of course, the only purpose in submitting this document is to influence the action of Congress, and any Senator can readily understand that the crux of the whole matter is the fairness of the presentation of both sides.

The Chamber of Commerce of the United States of America, meeting here in Washington from time to time, takes up public questions, and for the purpose of influencing public opinion it prepares a statement on one side and a statement upon the other side of questions of importance. Then it sends out those statements to the chambers of commerce

of the different cities of the country, and upon the presentation made by this chamber of commerce the various local bodies vote for or against the measure. * * *

I suppose I am trespassing upon the patience of the Senator from Nevada, who has the floor.

Mr. NEWLANDS: I am very glad to hear the statement of the Senator.

Mr. LAFOLLETTE: And probably I am trespassing upon the patience of the Senate; but I have a good deal within me which I am going to present at an opportune time on this question of the increase in the wages of the trainmen of the country.

* * * The referendum vote taken by the chamber of commerce and set forth in the document proposed to be inserted in the *Record* is based upon a statement very ingeniously contrived to show that engineers receive more in wages than some men who are not employed in such hazardous and exacting service, but not taking into account the limitation of their life of effective service; not taking into consideration the strain, exactions, and concentration required in that service; and not taking into consideration the fact that they are compelled to give up the home life, that they have to live on the road; that they have to meet expenses that men differently employed do not have to meet.

I might occupy the attention of the Senate for a considerable period in reciting the differences between the exactions made of these trainmen and those with whom this document, from the little that I glean from its reading, would make comparison. I merely suggest that, Mr. President, without going into details; but the difference between the statement set forth in the document and the just demands of these trainmen which are not presented in the document, and which were not considered and were not suggested for the consideration of the various boards of trade of the country, in a measure, would tend to show how imperfect and how short of meeting the fair requirements of a justly argued proposition upon both sides is this method of submitting a referendum to the boards of trade of the United States and using the result in an effort to influence the action of Congress. * * *

Mr. NEWLANDS: Mr. President, the Senator from Wisconsin complains that upon a similar referendum made by the National Chamber of Commerce regarding the shipping bill a prejudiced and unfair statement of the facts was made with a view to influencing public opinion, and particularly the action of constituent chambers of commerce of the National Chamber of Commerce. I know nothing of that controversy; I never saw the document constituting that referendum; and it is impossible for me to make any answer regarding it. I can only say that * * * I think it is quite proper that such an organization should give consideration to such an important question and that it is quite right that it should present its views respectfully to the Congress of the United States upon the subject. Other organizations are entitled to the same hearing. It is only by discussion that a sound public opinion can be formed.

I am aware that chambers of commerce are sometimes subjected to attacks in legislative bodies as representing selfish interests and of seeking to impress upon legislation such selfish interests. I have no doubt the charge is sometimes, perhaps often, true; and yet that fact would not prevent me from presenting to the Congress of the United States an expression of opinion by such a body, any more than some discreditable thing that is said with reference to labor organization and the terrorism which they inspire would prevent me from presenting their views and conclusions for the consideration of Congress. In presenting such views I do not endorse them. What, however, is the matter which the National Chamber of Commerce has had under consideration? The question as to whether it is proper or humane to establish an eight-hour day? No; they do not pretend to enter into that inquiry. Let me say that, so far as my individual views are concerned, I have always been for an eight-hour law, and I have voted gradually to extend it wherever I had the opportunity; for I believe that eight hours is a sufficient time for a man to work in any matter involving the labor of the hands. The question which the National Chamber of Commerce is considering is the possible effect of a tie-up of transportation and they are seeking to avert that tie-up by having a quasi-judicial inquiry made as to all the facts that relate to the employment of labor by the great common carriers of the country.

This is becoming a very important question, first, as to whether these increases are being proportionately distributed among all the laborers of the



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SENATOR ROBERT M. LAFOLLETTE,
OF WISCONSIN

railroads instead of being apportioned only to a favorite portion. The National Chamber of Commerce wishes an inquiry to be made with reference to all labor.

(The Senator then read, from the referendum pamphlet, the report of the special committee on the Railroad Situation together with the outline of arguments in favor and arguments against the committee's report.) He continued:

Mr. President, it strikes me that this is a fair statement of both sides of the controversy, without taking either side, except in favor of an investigation by a quasi-judicial body; and surely the Chamber of Commerce cannot be charged with lack of wisdom in recommending that the tribunal that should make this inquiry should be the tribunal which has been organized as the servant of Congress for the purpose of aiding it in the

exercise of its power with reference to the regulation of interstate commerce.

* * * The only way in which we can avert this great danger is by reason and persuasion, and reason and persuasion must be based upon facts.

What facts have we? Has there ever been any classification of the railway employees of the country, their wages and their hours? None whatever that I know of. What effect will this proposed diminution in hours have upon the increase of the operating expenses of the railways? No one knows.

The railway employees say that it will increase those operating expenses only \$20,000,000 annually. The railroads say that it will increase them \$100,000,000 annually. Which one is right?

Foundation of Confidence With South America

(Continued from page 7.)

From Valparaiso we stopped next at the Panama Canal and saw that wonderful engineering production under the eyes of its principal creator, General Goethals. We visited also the progressive republic whose name it bears.

From the Panama Canal we stopped at Havanna, and enjoyed for a few hours only its hospitality on our way to Norfolk, which we reached on May 4.

That the development of South America offers great possibility for the future, no one can question. To develop commerce, however, there must first be mutual confidence and understanding between the people of the republics and of the United States. Commerce to be developed must not be a one-sided commerce; must not be based on the granting of concessions or on the exploitation of markets for the sole benefit of one part. It must be a business based on the interchange of commodities to the mutual advantage both of the buyers and of the sellers. Not only must we find out what the people of South America wish to purchase but we must also extend our purchases in their markets so that they may be in a position to extend their buying to us.

The present situation is a most favorable one for extending our trade on a sound basis and placing it on a firm foundation of confidence, so that a guarantee of the most straightforward dealing and the highest standards of excellence will be conveyed by the term "Made in the United States."



With the Organizations



Inquiries Received and Answered

IN accordance with action taken by the Advisory Committee to the Organization Service Bureau a list will be printed each month of subjects upon which letters of inquiry have been received, together with such answers as space will permit. The limitations of space, however, will only permit of one or two answers each month and selection will be made of such as seem to be of most general interest.

Following are the subjects upon which letters of inquiry were received and answered during the month of June:

Industrial surveys by local talent.	Americanization of the foreigner.
Trade extension excursions.	Arbitration of business disputes.
Organization of Traffic Bureau.	Buildings owned by organizations.
Forming a new organization.	Graduated rate of dues.
Initiation fees.	Flat dues' rate with plural memberships.
Industrial development.	Form of by-laws.
Home industry campaigns.	Financing conventions.
Guarding against frauds.	Credit Bureaus.
Clean-up campaigns.	Community Houses.
Federation of Charities.	Membership campaigns.
Publicity funds for factory promotion.	Membership solicitors on salary or commission.

Following are copies of answers sent in reply to requests for information on the subjects of industrial surveys and the arbitration of business disputes:

Industrial Surveys

The purpose of an industrial survey is to determine conditions favorable and adverse to certain lines of industry, with a view to trying to secure such industries as may be suited to conditions. In many communities this is undertaken as an activity of the local commercial organization.

In gathering data on the various subjects one of your best sources of information would be the factories at present established in your city. You will understand, of course, that a survey may develop the fact that conditions are adverse to certain industries. In this event your work would be to remove the adverse conditions, if possible, and if they cannot be removed to turn your attention to securing the location of such industries only as are suited to the locality.

Your survey should determine your

location in relation to markets and raw materials, as a manufacturer who is close to his raw material and close to the consumer trade, all else being equal, has a distinct advantage over a competitor who is distantly removed from both, or either. For this reason your survey should determine the proximity, accessibility, quantity and quality of your available raw materials. Also, it should gather information on distances to consumer markets and freight rates thereto.

The next thing to be determined is labor. As manufacturers are greatly attracted by a plentiful supply of good labor, they will want to know how plentiful it is and what is its character. Some factories, as you know, employ male labor exclusively; others, women labor exclusively, and others both kinds. Some factories only operate during certain seasons of the year, while others operate the year through. Your survey, therefore, should include a population census classified according to the labor demands to which it could reasonably be expected to respond.

Another important item is living conditions. A factory may want to import its own labor instead of depending upon the local supply. In this case it will want to know if local conditions are such as to make for the contentment of their workmen. Your survey, therefore, should give number and capacity of your public schools, cost of living, rent, water and fuel. Means of getting to and from work, adequacy and cost of transportation should be shown. Many surveys contain a map showing street railway lines, steam railway tracks and sidings, factory districts, schools, playgrounds, amusement centers, shopping districts. All these are shown in their relation to each other so that an intending manufacturer may visualize the situation.

The character and cost of fuel and power must be obtained. What is the water supply? How ample is it, and what does service cost? These things should be shown in the survey, and other things

to be shown are number and character of banks and tax rates.

In addition to this your survey should show the number of factories now established in your city, the character of goods manufactured there, the annual output of each factory, the character of raw material consumed, its quantity and source and the number and character of people employed.

When all the information is gathered it is referred to committees for tabulation and analysis, and if the work has been well done it will not only be of value in preparing your programs of activities, but will be your best argument in seeking to secure such factories as are fitted to local conditions.

Arbitrations of Trade Disputes

I have your favor asking data showing methods used by commercial organizations in the United States and Europe for the settlement of trade disputes out of court.

The Committee on Arbitration of the Boston Chamber of Commerce consists of a chairman, a vice-chairman, and eight other members. It takes cognizance, at the request of either party, of any dispute between members, growing out of trade in merchandise or contract connected therewith. The parties in interest select four members of the committee to act with the chairman or vice-chairman in hearing and deciding the matter at issue. In case of failure to agree upon the four members, the chairman or vice-chairman selects them. In case of the absence of the chairman or vice-chairman or any of the members, the president appoints substitutes.

Any member who refuses or neglects to submit his case, or who commences an action at law against another member without having first submitted the cause of action to the Committee on Arbitration, or proposed to do so to his opponent, forfeits his membership in the Chamber. It is provided, however, that if, in the opinion of the directors, a member has

good reason to believe that his legal rights would have been endangered by delay, his membership is not forfeited because he may have appealed summarily to the law.

Awards of the committee not exceeding five hundred dollars in amount are binding. Awards in excess of five hundred dollars are binding provided both parties to the dispute have, previous to the hearing, filed with the chairman of the committee a written agreement to abide by its decision. Any member who refuses or neglects for a period of more than fifteen days from the date of the award to comply with any final award of the committee is subjected to examination and discipline by the directors.

The Committee on Arbitration of the Chamber of Commerce of New York maintains a constantly revised list of not less than fifty members who are willing to act as official arbitrators. Any matter in controversy may be referred to this committee if the disputants sign an agreement to abide by the decision and waive all right to withdraw after arbitrators have been appointed and their acceptance received. Some disputes are referred by agreement to a sole arbitrator appointed from the list of official arbitrators. Some are referred to a committee of three, two selected from the official list and the third selected by these two. Some are referred direct to the Committee on Arbitration for settlement. In any case the committee may decline to entertain a matter submitted for arbitration. From time to time the committee establishes a schedule of moderate fees, which fees are chargeable as decided by the arbitrator or arbitrators. The secretary of the Chamber of Commerce acts as clerk to the Committee on Arbitration. The Committee on Commercial Arbitration of the Cleveland Chamber of Commerce, after having proposed a plan of commercial arbitration which received the approval of the membership, organized a department for this purpose. One hundred and twenty-seven members of the Chamber, representing forty-eight classifications of business, responded to the committee's request and agreed to serve as arbitrators, if requested. The committee then drew up its forms of procedure together with a handbook prepared for the use of arbitrators and declared itself ready to arbitrate all commercial disputes.

The first case under this system was a dispute arising out of a contract between

a Cleveland manufacturer and a manufacturer in Connecticut. The difference in money involved about \$1,500. The account had been outstanding for over two years, counsel had been retained on both sides, and numerous efforts to adjust the matter to the satisfaction of both parties had failed. The Connecticut manufacturer was prepared to bring suit. Each party agreed to arbitrate. The committee's chairman was chosen as arbitrator. Arbitration proceedings consumed only two half days; a compromise was effected which was satisfactory to both parties and the total costs were thirty-five dollars.

In Germany the law permits cartels to make agreements to settle business disputes by a Board of Arbitration and makes the ruling of the arbitrators final.

In France there are Courts of Commerce composed of judges elected by the merchants in the city where the court is organized. Conditions for voting and eligibility are the same as for chambers of commerce. Membership on the court is considered a distinction and the judges, therefore, serve without compensation. These courts are established to settle all differences in connection with obligations or agreements between merchants and bankers and also between all kinds of parties in consequence of commercial acts.

In Switzerland certain chambers of commerce maintain courts of arbitration for the arbitration of disputes between manufacturers and exporters of watches, on the one hand, and foreign buyers, on the other.

In England many chambers of commerce have committees on arbitration.

If you desire to pursue this subject into the foreign field you will find an arbitration agreement between the Chamber of Commerce of the United States and the Chamber of Commerce of Buenos Aires, printed in full in *THE NATION'S BUSINESS* for June, 1915. Another interesting document is "International Arbitration of Individual Commercial Disputes," submitted by the New York Chamber of Commerce to the International Congress of Chambers of Commerce, which met in Paris in June, 1914.

Secretarial Positions

AT the meeting of the Advisory Committee to the Organization Service Bureau, held at the headquarters of the National Chamber in

Washington, D. C., on June 2, the method of treating applications from secretaries for secretarial positions was approved, and it was decided that a statement of the method followed should be made public through *THE NATION'S BUSINESS*. When a letter is received from a secretary stating that he is out of a position or desirous of advancing himself to a larger community, an acknowledgment is immediately sent to him accompanied by an application blank which he is requested to fill out and return. This blank requests him to give name, age, place of birth, education, organization experience, business or professional activities, three references and minimum salary that will be accepted.

When this application is returned, properly filled out, it is placed in a special file. References given in the application are written to, with the assurance that their replies will be strictly confidential, and when the replies are received they are attached to the application blank.

When a letter is received from an organization or officer thereof, stating that it is in need of a secretary, the file of applications is gone over and a list of the applicants that most nearly seem to fit the requirements is mailed to the organization with a letter stating that those in the list have complied with the listing requirements of the National Chamber, and from the statements made by the applicants they seem to fit the requirements of the position it is sought to have filled, but that the National Chamber is not so organized as to be able to make recommendations.

Providing Against Accidents

THE number of deaths due to carelessness, inadequate safety provisions at danger points, failure to enforce laws and ordinances, and other causes, is said to be about 85,000 annually, and one accident insurance company is quoted as saying that there are 140 disabling injuries to every accidental death.

It is the belief of those who have studied the problem that a very large percentage of these accidents are preventable. Agitation of the subject has aroused the interest of several commercial organizations, among them being the Chambers of Commerce of Boston, Indianapolis, Syracuse, N. Y., and Portland, Oregon.

Safety First Federation

Interest in the movement grew to such an extent that the Safety First Society of New York, acting upon suggestions from organizations in other cities, called a convention to meet in New York in February, 1915. Delegates attended from fourteen States, and those represented some of the most important cities. As a result of the meeting a national organization was formed which adopted the name, Safety First Federation of America.

The plan and scope of the Federation as promulgated by the Board of Directors is as follows:

The Safety First Federation of America was organized in New York City, on February 25, 1915, for the purpose of co-ordinating the work of the many public safety bodies in a strong national organization, through which local activities can be expedited and extended assuring greater efficiency in effecting results; to promote the public safety movement, which has assumed nation-wide proportions in better safeguarding human life and property; the application thereof to public welfare and occupation, with particular relation to public highways and places.

The Federation will serve as a clearing house for ideas and suggestions; the collection of information; the compilation of statistics; distribution of literature; and to advise and counsel regarding the best safety measures for general adoption and assisting in the organization of local safety societies and committees.

The Federation will endeavor to secure the enactment and enforcement of laws designed to insure such safety; to bring about uniformity of laws and regulations on the subject among the several cities and States; to secure the construction and maintenance of good roads; to establish and maintain exhibits of safety devices and methods, and to define a comprehensive educational campaign for public instruction, providing a uniform lecture course for public schools on safety precautions, compiling a safety first textbook in which the most common forms of accidents will be graphically illustrated and showing how to prevent recurrence.

Printed Matter and Information

Since the organization of the National Federation commercial organizations have a source of information as to the most approved methods of conducting

"Safety First" campaigns, and the best means of carrying out continuing policies for guarding not only against accidents, but whatever threatens property loss or the physical well-being of the community.

The Federation investigates fire prevention and health and sanitation as well as casualties, and is conducting research into all the various branches of these subjects with a view to determining preventable causes and applying remedies. It issues printed matter on the various subjects, which can be obtained by application to the secretary, Mr. Frederick H. Elliott, 6 East Thirty-ninth street, New York.

Two of the publications are well worthy of special mention. One of these is entitled "Safety First Scouts." It contains a plan of a safety-first campaign to be conducted in the public schools for the purpose of safeguarding school children while crossing the streets. The other is a small, attractively bound and illustrated book, especially designed for children.

Secretary Elliott in seeking a wider movement for the prevention of accidents, says:

"It is to be hoped that the campaigns in the interest of public safety which have been inaugurated in various municipalities will continue to grow during the coming year. To accomplish this end, public sentiment should be moulded accordingly and the principles, which are to be incorporated in the platform of the Safety First Federation at this, its inaugural convention, combined with the exercise of reasonable care and attention, which is sure to follow, should be productive of results sufficiently potent to repay the indulgent public. To this end all civic, social and commercial organizations, individuals, transportation and industrial corporations, should foster and continue a spirit of cooperation by supporting the endeavors of public officials and public-spirited citizens in the belief that in the years to follow new low records will be established in the percentage of fatalities and accidents involving the citizens of this great country."

Aiding the War Department

A COMMUNICATION from the Chamber of Commerce of San Antonio, Texas, indicates an entirely new field of endeavor for commercial organizations growing out of our relations with Mexico.

General Funston, Commander of the Department of the South, has his headquarters at Fort Sam Houston, which lies partly within the limits of San An-

tonio. This has brought the Chamber of Commerce of that city intimately in touch with the army. The Chamber of Commerce, finding the depot of supplies at Fort Sam Houston unequal to demands, assembled data on all available warehouse space in the city and assisted the Government in securing it. An information bureau was established where reports received from many sources were transmitted to the proper officials. Cooperation was arranged with the secret service and an aero club organized to train San Antonio volunteers as reserve pilots for aero work.

When General Funston announced the civilian training camp for Fort Sam Houston the Chamber of Commerce undertook a campaign of education and actual enlistments. The communication concludes as follows:

"This recruiting activity led naturally to giving assistance to the Texas National Guard in bringing itself into a condition of readiness for war when the President called the National Guard to take the field. Troop C of the Texas cavalry was recruited at the Chamber of Commerce, and Battery B, the First Field Artillery of Texas, has also maintained a recruiting station in the rooms of the organization, and will, on June 16, be mustered into the National Guard service and then into the volunteer Army of the United States."

Boston was among the first to take up the work. Two years ago, just before schools let out for the summer the Chamber of Commerce sent circulars to teachers and pupils warning them against the dangers of street traffic during vacation. Most of the newspapers printed these circulars. After vacation began a "Safety Day" was celebrated by the posting of placards in stores, street railways, elevated structures and other places. The Chamber of Commerce of Indianapolis has conducted two campaigns along similar lines. The Chamber of Commerce of Syracuse, New York, acted in cooperation with the Automobile Club; subcommittees were appointed representing the schools, churches, various civic and labor organizations, hotels, department stores, railways and express companies.

Southern Secretaries

Through an inadvertence, the place selected for the 1917 meeting of the Southern Commercial Secretaries Association was given in the last issue as Norfolk, Virginia. It should have been Knoxville, Tennessee.

A REAL BUSINESS SERVICE

Regular and special bulletins are issued to members of the Chamber of Commerce of the United States. A legislative bulletin, issued weekly, constitutes a thorough digest of current national legislation of commercial interest. A general or business bulletin, also issued weekly, gives accurate knowledge of all Government activities. Besides those just named there are bulletins having to do with special subjects.

These bulletins are not sent to our members with an idea of their being read in the sense that a newspaper is read. On the contrary, the contents are briefed and are self-indexing. A mere glance at the headings enables the busy man to turn at once to information of importance to himself without having to go through a mass of material which interests him only indirectly. What one member of the National Chamber thinks of the bulletins and how he uses them follows:

"The bulletins that come from you every few days I always read out of the mass of printed matter from all kinds of institutions that reach me daily, most of which I must slight. Your printed information is gotten up by someone who has the right idea in such matters. Business men today strongly desire information, but it is impossible for them to wade through masses of useless words to get at the kernel of what is wanted. Your weekly bulletin on the status of legislation in Congress of interest to business men is alone worth ten times what the National Chamber is costing the American people."

